

## RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

Mr. REID. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

### AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 1, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1) making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

Pending:

Reid (for Collins-Nelson (NE)) amendment No. 570), in the nature of a substitute.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 12 p.m. will be equally divided and controlled between the leaders or their designees, with the final 10 minutes for the two leaders.

The Senator from Montana.

Mr. BAUCUS. Madam President, in each of the last 3 months, more than half a million mothers and fathers came home to tell their families that they had lost their jobs.

In each of the last 3 months, more than half a million breadwinners came to terms with the news that they were no longer gainfully employed.

In each of the last 3 months, more than half a million Americans suddenly had to make do with much less.

Bad as that news is, the year ahead looks no better. Job losses have accelerated to a rate not seen in nearly three decades. And economists warn that other shoes are bound to drop.

These are times that frighten even seasoned managers. These are circumstances that concern even bullish economists.

The history of the 1920s and 1930s teaches us that we must act. The history of the Great Depression teaches us the costs of delay.

We must act to replace some of the trillions of dollars in demand that the private sector lacks. We must act to support those who, through no fault of their own, have been thrown onto the rolls of the unemployed. We must act to prevent the economy from spiraling deeper into recession.

The road before us is clear. We must pass the economic recovery and rein-

vestment legislation before us today. We must speedily resolve our differences with the House of Representatives. And we must get this bill to the President for signature without delay.

The bill before us would create or save 3 to 4 million jobs. The fate of millions of mothers and fathers, sisters and brothers, wives and husbands depends on what we do here today.

Every generation must face its own challenge. Responding to this economic emergency is ours. Let us not be found wanting.

Let us pass this bill and ensure that millions more mothers and fathers will not have to come home to tell their families that they have lost their jobs.

Let us pass this bill to ensure that millions more breadwinners will not have to come to terms with unemployment.

And let us pass this bill and rise to the economic challenge of our generation.

I don't know who the manager is on the other side, but I assume the Senator from Texas has more than enough authority to speak. I suggest she seek recognition and ask for whatever time she desires.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. Madam President, is there time allocated to each side?

The ACTING PRESIDENT pro tempore. The time until noon is equally divided.

Mrs. HUTCHISON. Madam President, I rise with hope that my colleagues will not waive the Budget Act point of order on this bill and to speak against passage of the legislation.

Sometimes one has to talk about process when dealing with something as important and as large as the bill before us. A fair process would have allowed input from both Republicans and Democrats, and would have written the bill in committee rather than trying to write the bill on the Senate floor. I am still concerned about a \$1 trillion expenditure. When we have an 800-page bill, we are spending about \$1 billion per page. Yet I don't believe we have a consensus about the right way to be spending \$1 trillion; \$1 billion per page in this bill.

The important thing we must do for the future is to look at all of the expenditures we are making. It is important for us to look at the trillion dollars we spent on stimulation last year which did nothing to help the economy. Now we have another trillion dollars coming down the pike to shore up financial institutions. We have \$1 trillion in spending before us. We already have a \$10.6 trillion debt. It is time to step back and say: a trillion dollars here and a trillion dollars there, we are talking about real money. The great Everett Dirksen talked about the "real money" of a billion dollars, and now we are at a trillion.

It is time to pause and say to the American people: We are going to look at what needs to be done before we

spend another dollar, much less \$1 trillion.

I believe 100 of us would say we need a stimulus package. It is how we spend the money that is in disagreement. Right now the bill before us is one-third tax cuts and two-thirds spending. Even the tax cuts are not going to help create jobs or keep people in their homes, which should be our major focus. The tax cuts are similar to the ones we did last year, which every economist agrees did not work because we didn't see a stimulus. We didn't see an increase in buying. Instead, the economy continued to go steadily downhill. The payroll tax that is dribbled out at \$20 or \$30 per paycheck is not going to make people feel confident to spend money which, in turn, creates the jobs.

I believe we should have tax cuts that are targeted to making people spend their money. We have had the converter box coupons that will go to offset the cost of the digital transition. You get a coupon in the mail. You take it into a dealer that is selling the boxes. It offsets the cost immediately. How about a tax cut that is in the form of a coupon that can only be redeemed if you spend money in certain areas, such as home improvement, weatherization, where you buy things that create a market so we won't see retailers or manufacturers having to lay people off, as we have seen in the last few weeks? Why not a coupon for expenditures that will ensure that the money is spent for job-creating activities? Why not a tax cut to employers for hiring people? That would be direct. That would say: If you will hire people, we will give you a tax credit. Employers would understand that. That is an incentive. Five hundred dollars in payroll taxes dribbled out will not give that confidence. We have the history of last year to show it.

Let's talk about the spending. I think we can spend wisely to create jobs. The Republicans are not against spending. We just want to separate spending that is going to create jobs versus spending that people might like that might be good programs but are not going to create jobs. That is the division we have now.

The spending in this new amendment is better than the original bill. They said they cut about \$100 billion, but when you add in the amendments already in the bill, it is about \$50 billion. And some of what they cut out was the right amount they should have cut out. It was the right types of projects to cut out. I will give them that. I think if we had had a more collaborative process from the beginning, we could cut out about \$200 billion that would not be creating jobs, and we could put it into a stimulus that would.

The kind of stimulus we should be targeting is money that we are going to have to spend anyway, say, over the next 5 years. Let me take, for example, military construction. In military construction, the Department of Defense

has a 5-year plan. We know what the 5-year plan is. In normal times, we would take 1 year at a time. The Department of Defense will put its highest priorities in the first year and then the second year will be next and then the third and fourth and fifth. But if we had a stimulative package, we would take that 5-year plan, and we would put it into 3 years so the spending would be upfront, and I have an amendment that will do that.

It would create jobs in America, and it would be spending we know we are going to do anyway. That spending would create jobs from money we are going to spend anyway. So in the last 2 years, we can start going back to normal, if the economy has picked up and people are spending and we have a lower unemployment rate. We would be able to say: Well, we have already done our military construction spending. We do not need to spend that money in those last 2 years and we can start trying to come toward a balanced budget again.

We have to start whittling down that \$10.6 trillion debt. But, instead, we are going in the opposite direction, adding to that \$10.6 trillion debt already on the books.

So I think there are some things we could agree to do. But this bill has not gone through the processes that would allow that input. My amendment has been pending since last week. It has been filed. But no action has been taken on it because we are not allowed to have the action, and we did not have the action in committee that would have allowed amendments.

I believe we could have made some headway on military construction. The same for highways. I agree with the highway spending in the bill. I think we should have more in that direction because it is money we are going to have to spend eventually; move it up to the front. They are American jobs. That meets the test.

I am very concerned that some of the spending in this bill—in the hundreds of millions and billions of dollars—is the kind of spending that is going to increase. It is going to increase payments the people are then going to come to expect, and we are not going to be able to come back to normalization, even when we have normalization, and we are going to keep adding to this debt.

I hope my colleagues will pause and realize that for \$1 trillion, we ought to do better for the future generations of our country because if our foreign investors in U.S. start beginning to think it is a risk to invest in the United States because we have no means to pay them back, two things can happen, and both of them are bad. One is they stop buying the debt. Then what are we going to do? The second is, they buy the debt but at what rate? They start raising the interest rates because the risk is greater. That will increase the economic woes we are now experiencing. Neither of those scenarios is a good one.

I hope our colleagues will see we are on a road that in the long term is not the right road for our country. I respect that everyone is trying to do what is right.

I know my colleagues on the Democratic side are trying to do what they think is right. I know the President is. I know the Republicans are too. We are in disagreement because we have not had the ability to fully come together in a way that will allow give and take, not just to have a bill that is laid before us where we are trying to amend here, amend there, without any cohesion in what we want to be the final result that would be a collaborative process. But what we have done is not, and at \$1 trillion I think we need to do it right.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Madam President, I yield 5 minutes to the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Ms. MIKULSKI. Madam President, is there a time limit on the speaking time at this time?

The ACTING PRESIDENT pro tempore. The Senator has been yielded 5 minutes.

Ms. MIKULSKI. Madam President, thank you very much. Then I will get right to it. I have a lot to say in support of this bill.

Let me start off by saying we have inherited a terrible mess, but the Senate is taking a major step forward to turn the country around by passing the American Recovery and Reinvestment Act.

By standing with President Obama, we stand for America, to create jobs for people who have lost them and to help those who have jobs keep them.

This bill is about jobs, jobs, jobs. Through the rough and tumble of the legislative process, I do believe the Senate has found a sensible center. I compliment all of both sides of the aisle who chose to work with each other to accomplish this.

This bill balances spending on the public investments and targeted tax credits that create jobs without exacerbating the Federal deficit.

There is much to commend us about the spending bill. The focus on physical infrastructure is absolutely crucial to my own State of Maryland. If one takes something that is not very jazzy to talk about, such as sewers and water grants, I can only bring to the Senate's attention that this stimulus would bring \$123 million to Maryland for these projects. But if Governor O'Malley were here, he would say: Thank God. If the people of Montgomery County, Prince Georges County, and Baltimore city were here, they would say: Cheers.

Over the weekend, we had a terrible water main break in Maryland, in Baltimore. It went through Madison Street, near one of our most famous

Catholic Churches. That church runs a school by the Jesuits, which focuses on giving a Jesuit prep school education practically free to poor boys, helping them to find their way. It closed not because of a lack of funds but because of a water break.

Iggy's, one of our most delicious pizza parlors, was flooded with water not with business because of the water main break.

Most recently, a big water main break occurred on River Road in Montgomery County. There was a dashing rescue by the brave people, first responders, of the Montgomery County rescue team, snatching people from waters that cascaded through like it was a Maryland "Niagara Falls." We have the money and the will to pay for the daring rescue, but we want to fix essentially what was a tsunami, a local tsunami in Montgomery County. Every time we do this, you have to have jobs for the people who will actually build the water and sewer programs.

I could take you on a tour throughout Maryland. But what we are doing is creating jobs, improving the environment and public safety and public health. I could go item after item on these spending issues. Education would be one of the others which is very important.

The American Recovery and Reinvestment Act creates jobs by investing in our infrastructure. It fixes aging physical infrastructure, like roads, bridges, and water systems.

Water mains are aging. Roadways are turning into rivers. Small businesses have to shut their doors. Hospitals can't take care of the sick.

A recent water main break in Baltimore closed St. Ignatius, a school that provides a Jesuit education for poor kids. It closed Iggy's pizza parlor, a local Baltimore landmark. It was shut down after the water main break. The owner is not sure when he can reopen his doors.

The stimulus provides \$123 million for Maryland water and sewer projects. The formula funding to the States is to make low-interest loans to localities and utilities. This means local governments won't have to raise rates or cut services.

But not all jobs require a shovel to be ready to go. Some need microscopes and telescopes. High-tech jobs like maritime charting help keep Maryland's economy afloat.

There is \$80 million to update nautical charts. There is a backlog of 20,000 square miles. Some nautical charts for the bay have not been updated in decades. The channels have changed naturally. So have the boats that go down the channels. Ships are bigger and weigh more.

We need accurate charts to make sure boats don't run aground, halting the flow of goods in Baltimore Harbor. It could cause an environmental mess and costly clean-up. Maryland can't afford a maritime accident.

It makes major investments in education so families and local school districts can help special needs children.

By giving money to the Governor to fill budget gaps in State aid, Prince George's County won't have to consolidate 12 schools, increase class size, or cut 900 positions in central administration.

By providing funding for Early Head Start, officials in Baltimore City can start serving the 95 percent—7,600—of low-income infants who are eligible but do not receive nutritional, health, and education services due to a lack of funding.

By providing a surge in title I dollars, Carroll County won't have to cut 33 teaching positions that otherwise would be slashed because of tight budgets.

It provides a social safety net that helps distressed families. It helps with food stamps and nutrition for seniors. It supports Meals on Wheels so seniors stay in their communities and age in place. Last year, Meals on Wheels of Maryland delivered 780,000 meals to almost 3,000 seniors.

Putting food in people's mouths, about 317,000 Marylanders rely on food stamps each month.

It expands Medicaid so States can continue to cover those already on Medicaid and expand the program to cover new individuals. About 854,000 children and adults rely on Medicaid in Maryland. For families of three who make about \$52,000 this means elderly won't get dropped from nursing homes and children will have health care.

It invests in the techno infrastructure, like broadband to expand small businesses. Rural Maryland will be able to sell agricultural products or crafts and antiques on e-Bay, running e-based businesses out of their homes. Or if they lose a job, they can look for a new job online. And telecommuting is an option, so they may not have to move to a city to be near a good job.

And it has targeted tax breaks to help families and small businesses, like expanding the child tax credit, helping at least 100,000 poor children in Maryland. It eases the ability to qualify for the refundable child tax credit, and provides up to an additional \$2,000 for a family with two children making less than \$30,000.

Last week we learned that 598,000 people lost their jobs in January. This bill is a victory for America. This bill stimulates the economy today and lays the groundwork for a stronger economy tomorrow.

In addition to what was done the other night and what will pass in this stimulus—and I intend to vote for this stimulus—I am so heartened my automobile amendment is included in this bill. It makes interest payments on car loans and State sales or excise car tax deductible for new cars that would be purchased this year.

What does it do? It actually gets people in the showroom. It does what Senator HUTCHISON talked about. I got 71 votes: 41 Democrats and 30 Republicans. What does it do? It saves jobs because it gets people in the showroom

to buy a car; and that means for the people who sell the car, for the auto mechanic who fixes it, for the manufacturer who makes it, and, most of all, for the consumers. They get a chance to buy a car that will be far more fuel efficient and also lower carbon. Now, that is what both sides of the aisle have talked about.

My amendment makes interest payments on car loans and State sales/excise car tax deductible for new cars purchased from November 12, 2008 to December 31, 2009.

How does this amendment help our economy? It saves jobs. If the domestic auto industry goes bankrupt, the U.S. would lose 3 million jobs, in manufacturing, repairs and service, car dealerships, and science and engineering. It helps consumers. A family would save about \$1,553 on a \$25,000 car, such as a Dodge minivan. Cars are most families' biggest purchases after their homes. It supports States and local governments. States rely on car excise taxes for their infrastructure projects. More car sales means more revenue for struggling State and local governments.

It is urgently needed. To reach viability, the Big Three need U.S. new car sales to be at 13 million a year at a minimum. Sales in December were more than 20 percent below that minimum—10.3 million a year. This is the only proposal that will stimulate demand up the supply chain so that the Big Three's restructuring plans will work.

Who would qualify for this tax deduction? Families who make less than \$250,000; \$125,000 for individuals. The deduction is "above-the-line"—meaning it can be taken advantage of by itemizers and nonitemizers. It only applies on cars that are less than \$49,500.

I have a statement from someone whom I never thought I would be in alignment with, the economist Martin Feldstein. He is on the conservative side, and everybody knows you kind of cover me blue. He says what we should focus on is providing incentives to households and businesses to increase current spending. Why not a tax credit to households to purchase cars or other consumer durables?

I will quote from his article, dated Thursday, January 29, 2009, in the Washington Post:

As a conservative economist, I might be expected to oppose a stimulus plan. In fact, on this page in October, I declared my support for a stimulus. But the fiscal package now before Congress needs to be thoroughly revised. In its current form, it does too little to raise national spending and employment. It would be better for the Senate to delay legislation for a month, or even two, if that's what it takes to produce a much better bill. We cannot afford an \$800 billion mistake.

Start with the tax side. The plan is to give a tax cut of \$500 a year for two years to each employed person. That's not a good way to increase consumer spending. Experience shows that the money from such temporary, lump-sum tax cuts is largely saved or used to pay down debt. Only about 15 percent of last year's tax rebates led to additional spending.

The proposed business tax cuts are also likely to do little to increase business in-

vestment and employment. The extended loss "carrybacks" are primarily lump-sum payments to selected companies. The bonus depreciation plan would do little to raise capital spending in the current environment of weak demand because the tax benefits in the early years would be recaptured later.

Instead, the tax changes should focus on providing incentives to households and businesses to increase current spending. Why not a temporary refundable tax credit to households that purchase cars or other major consumer durables, analogous to the investment tax credit for businesses? Or a temporary tax credit for home improvements? In that way, the same total tax reduction could produce much more spending and employment.

The ACTING PRESIDENT pro tempore. The Senator has used 5 minutes.

Ms. MIKULSKI. My time has expired. Madam President, I ask for 2 minutes to conclude.

All I say is this: I thank the Chair for allowing me to offer the amendment. But if you want a car at your house, call the White House or call the House of Representatives. The problem now is not the idea but it is the politics. Let's get the White House on our side. Let's get the House of Representatives on this side. Flood not the streets but flood them with the phone calls. Call these numbers. Let's get America rolling again.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Montana.

Mr. BAUCUS. Madam President, I yield 10 minutes to the Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Thank you, Madam President.

I thank my colleague from Maryland, who is doing a great job on the car amendment, and my colleague from Montana, the chair, who has led us extremely well on this legislation.

We are trying to deal with an economic crisis that grows worse day by day, similar to an economic 9/11 that ought to be bringing us together. The economy is hurtling southward. People are laid off every second and every minute. You get on the phone and talk to someone you know—I spoke to a friend of mine. Her sister had been laid off. I went to a local Italian restaurant. The waiter's wife had been laid off. The woman who cuts my hair, her husband has been laid off.

We are hemorrhaging jobs. The middle class is losing dollars. The country could edge over into a recessionary spiral downward that actually turns into deflation, which could, God forbid, turn into a depression. Yet while President Obama shows leadership, the other side is still adamantly sticking to policies that do not work. They are arguing for marginal rate cuts and choosing to ignore that the very purpose of a stimulus package is to spend money, to help fill the void left by a dramatic reduction in consumer and business spending.

This package certainly does not have everything I want or any single Member wants. But for the sake of this

country, we all must give and come together and get it passed—not only passing on the floor today but getting this passed in conference quickly because every day we wait more are laid off.

In my judgment, this package should be more heavily tilted toward spending, jobs, putting money in the pocket of the middle class. This is a position supported by the vast majority of mainstream economists.

The President and Senate Democrats have bent over backward to accommodate views we do not feel accurately portray what needs to be done. People are criticizing President Obama for being partisan last night. But let me tell you, he and we have reached out and done our best to bring Republicans along. But as the President said last night, drawing the line at continuing the very policies that got us into this position in the first place is the proper place to draw that line. To pass a bill with 80 votes that would do nothing to help the average person would be a far greater failure than passing a bill with 61 votes that starts our economy moving again.

There are three criteria for this bill, simply put: jobs, tax cuts for the middle class, and rebuilding our infrastructure. Let me repeat that: jobs, tax cuts for the middle class, and rebuilding our infrastructure. Most every provision in this bill does one of those three things now. Lots of little porky things have been taken out.

So while some of our colleagues on the other side of the aisle want to cure the Bush recession with the Bush economic plan, the President was right to say no. As for bipartisanship, we have been trying; Lord, we have been trying. The two largest amendments added to this bill—a total of \$106 billion of the \$840 billion in the bill—were added by Republicans. This isn't just allowing people to debate; this isn't just saying we will listen to you and not do what you want. Again, let me repeat: The two biggest amendments added to the recovery package were Republican amendments, Senator ISAKSON's at \$36 billion and Senator GRASSLEY's at \$70 billion, and they didn't vote for the bill. What do you want out of us? This is not a small little bauble of \$10 million in tax cuts or in spending. This is close to one-eighth of the entire bill, and it doesn't bring us a single vote. How can you say we are not being bipartisan when we have allowed major changes to be made to this bill, despite the President's wishes?

What has happened here is very simple. Our Republican colleagues want the right to add amendments but never will vote for the bill, except for three courageous Senators—two from Maine, one from Pennsylvania. What more can we do? There were 472 amendments filed, 48 considered, 27 offered by Republicans, a good bunch of those accepted. Many of us voted for them. What more bipartisanship do you want?

Here is the sad fact. The sad fact is this: Unless the bill is all tax cuts mostly for the wealthy and has virtually no spending, a large number on the other side will never vote for it. Never. So all the talk of bipartisanship is that: mere talk. We are walking the walk. We are adding Republican amendments. We are giving people a chance to offer amendments. We are not so-called “filling the tree” and blocking debate. We have to scrounge, beg, and plead, for three votes. Again, I salute those three who did it. They made changes in the package that I didn't want. I would rather see more money in education. I would rather see ours similar to the House bill, which has 34 percent tax cuts and 66 percent creating jobs and helping people keep jobs, but again we went from 34 percent tax cuts to 44 percent.

I wish to make one other point before I conclude. Many on the other side point to one little provision or another. They say, Well, there is money for STD; there is money for the Mall. Well, we took those out, but make no mistake about it, if we took them out, they still weren't going to vote for the bill. They were excuses. Let me say this to all of the chattering class that so much focuses on those little tiny, yes, porky amendments. The American people don't care. The American people care far more that there is a proposal in the bill—this one I pushed—that gives a \$2,500 credit to families who pay tuition to put their kids through college. Great relief. They care far more about that than about some small provision in the bill that shouldn't be there, because the tax relief from tuition costs they are going to get means far more to them. They care more about a provision that keeps the teachers in their schools. They care far more about the provisions that will build roads and bridges and employ people in their communities. So to all of us, particularly on my side, let's not fall for the bait. Let's not make this a bill that is mostly things such as refurbishing the Mall or sexually transmitted diseases which should be out of the bill. It is a bill about jobs. It is a bill about tax cuts to the middle class. It is a bill about infrastructure. The American people know that. They know they are hurting. They know we have reached out, and they know we have to act.

So we will not be diverted. We will do our best to bring more Republicans over to our side, and I hope that happens this week. We will be open to new suggestions just as we were to \$106 billion in suggestions that were added to the bill. But we will not sacrifice the focus of this bill: jobs, tax cuts for the middle class, and infrastructure for anything, because America demands that we get ourselves out of this mess.

I salute our President. He put together a great package. My colleagues in the House improved on it. We in the Senate reluctantly had to pull back on certain portions of the House bill to get the 60 votes necessary, and we did

it for the good of the country, even though each of us would have written it differently. Now we must move forward. I urge my colleagues on the other side of the aisle to reconsider, to acknowledge that we have been very bipartisan, to acknowledge that our country has a crisis, to acknowledge that they actually lost the election and can't write the whole bill, even though they will have some suggestions; and I urge that we all come together the way we did after 9/11 when there was another crisis and move this country forward.

I yield my remaining time to my friend from Montana and yield the floor.

Mr. FEINGOLD. Madam President, I am deeply troubled by the enormous debt this legislation is creating for future generations. Under almost any other circumstance I would vote against this bill for that very reason. But our economy is in desperate shape, and we are facing the worst economic crisis since World War II.

Since the recession began a little over a year ago, 3.6 million jobs have been lost, with nearly half of those coming just in the last 3 months. The unemployment rate is 7.6 percent and rising, and the number of unemployed is approaching 5 million.

The deeply flawed financial regulatory policies of the last two decades paved the way for this economic collapse, and the budget policies of the last 8 years have left us ill-equipped to address it without running up hundreds of billions in debt.

There are no good options, but doing nothing is simply unacceptable.

The bill on which we will vote today is far from perfect. On that there is nearly unanimous agreement. The question before us, then, is whether to vote against this bill and hope we can produce legislation that will be more effective, or to support this bill and begin to do something, however imperfect, to stop the economy from plunging further.

Given the current makeup of the Senate, it is extremely unlikely that the Senate will produce a better bill. We could work on it for another couple of weeks, but the changes would be small. It is far more important that we act to prime the economic pump, and that we do so soon. And for that reason, I will support this far from perfect measure, and hope that it will be improved in conference.

But this bill should not set a new precedent for budget policies. Once we stop the economic plunge, we absolutely must return to a sustainable budget policy, one that will reduce the mountain of debt we have left to our children and grandchildren.

Mr. AKAKA. Madam President, I support the Economic Recovery and Reinvestment Act.

This legislation will create jobs by encouraging innovation for the development of clean energy and strengthening our Nation's infrastructure. This

vital bill will assist States so that they can continue to provide vital services. States need help in meeting the social service and health care needs of their communities. As economic activity has declined, State revenues have also decreased. Supporting States so that they can continue to provide health care coverage and essential social services will help our constituents in this great time of need. States must be good stewards of these resources and utilize them for their intended purposes. This recovery bill will also provide relief to workers and families hardest hit by the economic recession.

I am proud to support provisions in the Economic Recovery and Reinvestment Act which will bring financial relief to our Nation's struggling public schools, colleges and universities. Our Nation's future depends upon our ability to provide our keiki with the educational opportunities they need today so they can compete in tomorrow's global economy. The Senate bill includes \$39 billion in much needed funding to assist our local school districts as well as public colleges and universities. It also includes funding for teacher quality partnership grants to improve the quality of new teachers and encourage individuals to enter the teaching field. In addition, the Senate-passed version also provides \$12.4 billion in title I grants to Local Education Agencies to help our Nation's most disadvantaged students. The Senate bill also helps students and their families achieve the dream of a higher education by increasing the Pell Grant maximum award by \$281 for award year 2009-2010 and then by \$400 for 2010-2011.

I am pleased that the legislation includes significant funding that will benefit the Department of Veterans Affairs and the veterans it serves. I have been working, along with other members of the Veterans' Affairs Committee, to advocate for the needs of veterans in the context of this recovery and reinvestment bill. I am very grateful to the chairman of the Appropriations Committee, Hawaii's senior Senator, Mr. INOUE, for hearing our message and providing tangible results.

The money in this package that is appropriated for VA will help advance a number of projects that have been languishing for too long. For example, VA has a \$10 billion backlog in major health care facilities construction. This stimulus package includes \$3.7 billion for health care and services, the vast majority of it for facility construction.

Included in that sum is \$1.1 billion for major facility construction that can be used to build new hospitals for veterans who have insufficient access to health care, or have lost use of their hospital due to damage or disrepair. Another \$1.37 billion is targeted on crucial nonrecurring maintenance to facilities that need upgrades or repairs. There is also nearly \$940 million appropriated for minor construction, which will be used to build new community

based outpatient clinics, among other purposes.

The legislation also includes \$50 million to improve benefits for veterans.

I am pleased with the almost \$65 million intended for VA's National Cemetery Administration. Of this amount, \$60 million will be used to provide much needed cemetery infrastructure support and repair and investment in VA's National Shrine initiative. I believe the funding will go a long way toward meeting our obligation to provide final resting places for veterans and honor their service on our behalf.

As helpful as this infusion of funding will be, I remind all of my colleagues that this only addresses existing, unmet needs. When it is time to begin work on the new budget, we cannot subtract any money from the VA appropriation, as all of those funds will be needed to meet the new fiscal year's costs.

I am pleased that Veterans' Affairs Committee staff was able to work with the Finance Committee to ensure that certain VA beneficiaries receive economic recovery payments. I appreciate the willingness of the Finance Committee to make certain that VA beneficiaries, who might not otherwise receive a payment, get one in this time of economic uncertainty.

I also commend my colleague, Senator INOUE, for his ongoing advocacy on behalf of the Filipino veterans of World War II. This legislation contains an authorization for a lump sum payment for funds that were appropriated last session for these veterans.

I look forward to swift enactment of this essential legislation intended to help working families, create jobs, improve infrastructure, and assist veterans.

Mr. LEAHY. Madam President, for the past week, the Senate has been debating an economic recovery plan introduced by Senators INOUE and BAUCUS. I support this plan because the American people and their communities need it to create jobs, help stabilize the economy, and protect those who have been most hurt by the current global economic and financial crises.

We are confronting the most severe economic problems this country has experienced in generations. The U.S. economy has been in recession since December 2007. America's GDP declined 3.8 percent in the fourth quarter of 2008, the steepest drop since 1982. The United States lost 2.6 million jobs last year, the most since 1945. And last week we learned that the U.S. economy shed 598,000 jobs in January, putting the unemployment rate at 7.6 percent.

In my home State of Vermont, not only has the amount of credit available to small businesses shrunk significantly, but our unemployment rate jumped to 6.4 percent in December—the highest measurement in more than 15 years. With many more firms announcing layoffs in January and so far in February, the economic numbers are

shaping up as even bleaker news for America's working families, and also for America's now out-of-work families.

Of course, Vermont is not alone in this struggle. Workers, businesses, and State and local governments all across the country face mounting debt, slumping orders, and sagging budgets.

To respond to this extraordinary crisis, I agree with President Obama and a vast majority of Americans that we must act quickly and responsibly to pass an economic recovery and job creation plan as bold as the challenges we face. By acting now to strengthen our economy and invest in America's future, we can create good-paying jobs, cut taxes for working families, and make responsible investments in our future.

Our No. 1 priority should be to put America back to work. This economic recovery plan we are debating today will help create or save million of jobs, including an entire generation of green jobs that will make public and private investments in renewable energy and make America more energy efficient.

Investing in our country's infrastructure and education will do more than create jobs today—it also will put the country back on a long-term path toward prosperity. Rebuilding our roads and bridges; expanding broadband access to rural communities; making our energy grid smart and more efficient; constructing state-of-the-art classrooms, labs and libraries; and investing in job training that Americans will need to succeed in the 21st century economy will give us tangible assets that we can use for years to come to foster additional economic growth.

But it has been interesting over the past week to listen to the impassioned speeches of some members of the minority party in relation to this economic recovery bill. Despite all of the pain being felt in America today, it is as if their tax-cutting policies, in effect for the past 8 years, were a resounding success and built a strong economy, rather than left the American people with a trillion-dollar deficit and the highest unemployment rates in recent history. It is as if they have somehow convinced themselves that we should go right on supporting the Bush administration's policies that the voters soundly rejected last November.

For instance, I have heard criticism about the increased Federal funding for State and local law enforcement in this bill. Some have called this a "pet project" which will do little to stimulate the economy. Nothing could be further from the truth. Tough economic times create conditions that can too easily lead to a spike in crime. Just 2 weeks ago, USA Today reported a study by the Police Executive Research Forum finding that nearly half of the 233 police agencies surveyed had seen significant increases in crime since the economic crisis began. Maintaining effective State and local law enforcement during a time of budget cutting

at the State and local levels is key to our efforts to combat the scourge of drugs and crime.

The funding the Senate has included in the recovery package for State and local law enforcement will not only help to address vital crime prevention needs, but will also have an immediate and positive impact on the economy, as police chiefs and experts from across the country told the Senate Judiciary Committee in our first hearing of the year, which I chaired last month. Hiring new police officers will stimulate the economy as fast as, or faster than, other spending. For construction jobs, only 30 to 40 percent of the funds go to salaries, but in police hiring, nearly 100 percent of the money goes to creating jobs.

We also need to remember that crime and drugs are not just big city issues. I held Judiciary Committee hearings in Rutland and St. Albans, VT, last year to seek solutions to the growing problem of drug crime in rural areas. Rural areas, which lack the crime prevention and law enforcement resources often available in larger communities, have in many cases been hit particularly hard by the economic crisis. The Senate bill's inclusion of such assistance is important and should remain.

I am also pleased that the Senate has chosen to include in its recovery package funding for programs protecting women who are victims of violence through the Violence Against Women Act, as well as for victims of crime—addressing those who are most vulnerable to the likely increases in crime in a down economy. Law enforcement officials and victims' advocates have made clear to the Judiciary Committee that in the current economic crisis there are more victims than ever in need of more help than before, but funding sources for victim services are scarce. Those already victimized by crime should not also be victims of our struggling economy.

I have also long held the view that American innovation can and should play a vital role in revitalizing our economy and in improving our Nation's health care system. I commend the lead sponsors of the economic recovery legislation for making sure that this bill includes an investment in health information technology that takes meaningful steps to protect the privacy of American consumers. The privacy protections for electronic health records in the economic recovery package are essential to a successful national health IT system. Among other things, these privacy safeguards give each individual the right to access his or her own electronic health records and the right to timely notice of data breaches involving their health information, and the safeguards place critical restrictions on the sale of sensitive health data.

Also crucial are funds for fraud enforcement, which is necessary for protecting the integrity and efficiency not only of the financial system, but also

of the spending in this bill—the very concern that critics of the bill keep harping on. The economic crisis has revealed an epidemic of fraud related to the mortgage fraud crisis and the resulting corporate collapses. The FBI and other Federal agencies will soon be overwhelmed with new cases. In the past year, the FBI has received more than 60,000 Suspicious Activity Reports from banks, a number which has doubled in 3 years, but currently there are fewer than 200 agents assigned to investigate these criminal allegations. The significant funding included in the Senate recovery and reinvestment bill would help the FBI hold accountable those responsible for contributing to our economic crisis.

Nobody thinks this bill is perfect. Like most bills, there are things in it that I like and other things that I disagree with. We are part of a global economic recession involving forces that extend far beyond our borders, and nobody thinks this bill will eliminate unemployment completely or solve all our fiscal problems. It took years to get us into this mess, and it will take years to get us out. There is no quick fix—not this bill, not any bill.

But America is hurting, and Americans urgently need our help. They want action and solutions. I strongly support this economic recovery package because I believe it would provide a direct infusion of emergency aid to create new jobs, help save existing jobs, make significant infrastructure investments, provide relief for massive State budget deficits, and relieve the tax burden on struggling families. We have had a long, tough debate here in the Senate, but America deserves nothing less than our best effort.

Mr. COBURN. Madam President, this economic stimulus bill contains \$87.7 billion to bail out State Medicaid programs and more than \$21 billion to have the Government control the adoption rate of health information technology (health IT) through Medicare and Medicaid.

We are in the middle of an economic crisis today. Yet the health IT spending through Medicare and Medicaid will not start until 2011. Interestingly enough, the Congressional Budget Office, CBO, has stated it “anticipates near-universal adoption of health IT over the next quarter century even without legislative action. As a result, the 0.3 percent reduction in health care costs estimated to result in the near term from enactment of this bill would diminish in later years, when the use of health IT will be more pervasive in any event.” So this stimulus bill spends money more than 2 years after the economic crisis has started on an issue that the market would have addressed on its own.

This is just one of the many examples that illustrate that the stimulus is, as recently noted by the Wall Street Journal's editorial page, “90 percent social policy and 10 percent economic policy.” I believe that this “social pol-

icy” will be counterproductive to the goals of universal adoption of health IT because it will mire the health care system in new bureaucratic red tape.

Another example of the stimulus's social policies is its inclusion of \$1.1 billion for research on medical treatment comparative effectiveness. This is to be used to “accelerate the development and dissemination of research assessing the comparative clinical effectiveness of health care treatments and strategies, including through efforts that: (1) conduct, support, or synthesize research that compares the clinical outcomes, effectiveness, and appropriateness of items, services, and procedures that are used to prevent, diagnose, or treat diseases, disorders, and other health conditions and (2) encourage the development and use of clinical registries, clinical data networks, and other forms of electronic health data that can be used to generate or obtain outcomes data.”

Included in this \$1.1 billion spending is a \$400 million “slush fund” given to the Secretary of Health and Human Services, HHS, that could be construed to allow the Secretary to use however he or she wishes. Let me be clear, none of the comparative effectiveness research funding under the stimulus may be used for anything but research on comparative clinical effectiveness.

While I recognize and appreciate that the comparative effectiveness provisions of this bill only permit comparative clinical effectiveness, I am concerned that this lays the groundwork for comparative cost effectiveness with bills that the Obama administration will push and Congress will consider in the future. Why else would they be pushing to spend \$1.1 billion on comparative clinical effectiveness, if the intention was not to one day tie the answers from that research to cost and coverage decisions?

To quote one of President Obama's top White House health advisers, Jeanne Lambrew, “There is a bipartisan—I should be careful about the bipartisan, working the bipartisanship in the Senate. The House isn't quite as bipartisan as we would like but there has been support for investing about \$1.1 billion in this economic recovery act for over two years for ARC and partly for NIH and partly for under agency activities to begin to try to say how do we get at the relative costs, excuse me, the relative effectiveness of the different services.” That statement could be characterized as a Freudian slip.

While Congress has limited comparative effectiveness research funding in the stimulus to clinical effectiveness questions, I am concerned that the sponsors of this bill and the Obama administration have plans to force on the American public coverage decisions based on comparative cost effectiveness. Make no mistake: I will vigorously fight those efforts in the future.

In addition to the comparative clinical effectiveness research spending, the stimulus bill creates a structure



similar to the Federal Health Board described in the book "Critical" by former Senator Tom Daschle. President Obama endorsed this book and has relied on Senator Daschle's advice in crafting his health care agenda. A new, bureaucratic Federal Coordinating Council for Comparative Clinical Effectiveness Research would be established under section 802 of the stimulus. The council will advise the President and Congress on No. 1. strategies with respect to the infrastructure needs of comparative clinical effectiveness research within the Federal Government; No. 2. appropriate organizational expenditures for comparative clinical effectiveness research by relevant Federal departments and agencies; and No. 3. opportunities to assure optimum coordination of comparative clinical effectiveness and related health services research conducted or supported by relevant Federal departments and agencies, with the goal of reducing duplicative efforts and encouraging coordinated and complementary use of resources.

The council would be composed of 15 members, all of whom are senior Federal officers or employees with responsibility for health-related programs. It concerns me that no attempt is made with this language to ensure council membership includes private, non-government experts. The American people know that medical experts at places like Harvard, Johns Hopkins, and Yale have more expertise on medical issues than bureaucrats at the Department of Health and Human Services. In the future, I will work to ensure that this council—and the American people—benefit from the expertise that resides in the minds of our country's premier medical experts.

The council would report annually on Federal activities in this area and recommendations for further research. While I recognize and appreciate that the comparative clinical effectiveness research and the council in the stimulus do not go as far as the board outlined in Senator Daschle's book, I am gravely concerned that it is simply the precursor to a full-fledged Federal Health Board. In Senator Daschle's own words, a Federal Health Board may alter the traditional doctor-patient relationship by giving the Federal Health Board new powers to make coverage decisions about medical technologies, treatments, drugs, and procedures, "Doctors and patients might resent any encroachment on their ability to choose certain treatments . . ."

The model proposed by Senator Daschle and endorsed by President Obama—and which I am concerned the stimulus lays the groundwork for—would be disastrous for American patients. This exact model is a failed policy of the past in Great Britain's health care system. Great Britain's National Institute for Health and Clinical Excellence, NICE, evaluates new medical drugs and treatments for coverage decisions for all British citizens.

An approach like NICE neglects the basic fact that medical decisions vary by individual patient and disease processes. Medicine is not simply a cold science; it is also an art that reflects each individual patient's condition.

An approach like NICE will ultimately attach price tags to patients' lives and result in treatment rationing. To quote my friend Dr. Scott Gottlieb in a recent Wall Street Journal opinion editorial, "[NICE] has concluded that \$45,000 is the most worth paying for products that extend a person's life by one 'quality-adjusted' year. (By their calculus, a year combating cancer is worth less than a year in perfect health.) . . . In Britain, there's vocal dissent against NICE constraints, especially among the cancer patients who are denied many effective new drugs that, for now, are widely prescribed in the U.S. The rich, of course, are able to opt out of the British controls. But the rest of the country has to appeal to politicians—rather than their doctors—to gain access to restricted medicines."

Rather than top-down Government solutions that control costs by one-size-fits-all coverage mandates, I believe that a health care market that plays by fair rules is a far more powerful force to control costs and improve quality. The American people know it works because that competition and entrepreneurship has worked in every other American industry. I support creating a health care system where patients and doctors are able to make decisions based on individual patient conditions and needs.

The American people know that bureaucrats and politicians cannot be trusted as the ultimate arbiters of medical decisions. I will vigorously oppose any efforts to take choice and individualized care away from patients and their doctors.

Mr. KENNEDY. Madam President, this is a truly historic moment. We are taking a bold step to meet the greatest challenge to our Nation's continued prosperity in a generation. Thanks to visionary leadership from our new President and from our leaders here in Congress, we can offer new hope for working families throughout the Nation.

America is mired in a crisis unlike any we have seen since the Great Depression. Trillions of dollars of hard-earned wealth have been wiped out. Families are losing their homes, their jobs, their health care, their life savings, and their hopes for the future.

At the heart of this economic turmoil is the collapse of the jobs market. We lost 2.6 million jobs last year. Over 11 million Americans are unemployed—that is more than four unemployed workers for every job opening in the country. We recently learned that there were 626,000 new jobless claims in the past week and that 4.8 million Americans are collecting unemployment compensation—the highest number on record. The monthly job numbers released last Friday show that the

national unemployment rate has reached 7.6 percent. In many States, unemployment has already reached 8, 9, or even 10 percent.

Getting laid off can start a devastating downward spiral. It often means the loss of health insurance, leaving families with exorbitant medical bills when they can least afford them. It means more parents can no longer afford to send their children to college or even put food on the table or heat their homes.

We need to turn our economy around, and we need to do it now. Economists agree that only ambitious and aggressive job creation policies—and strong government investment in our nation's future can spark a revival of our economy.

In November, Americans voted overwhelmingly for change—for action over gridlock, for practical solutions over ideology, and for a government that has a role to play in advancing our common prosperity. President Obama has called on us to pass a bold economic recovery bill that embraces these priorities and the bill before us will do that.

First and foremost, this legislation would create good new jobs by repairing and replacing aging infrastructure. The funding included for water infrastructure—both for wastewater and for drinking water—is long overdue. In New England, we have some of the oldest sewer infrastructure in the Nation. Much of it was built in bygone years when excess sewage was dumped into public waterways. These funds are a good start, but much more must be done to replace these so-called combined sewer systems.

Similarly, the bill's investments in roads, bridges, and transit are absolutely essential to putting people back to work, and to avoiding some of the catastrophes we have seen, such as the I-35 bridge collapse in Minnesota. I commend the bill's managers for recognizing how essential these projects are for the Nation's future.

In all, the Congressional Budget Office reports that economic recovery legislation could save or create up to 2.4 million new jobs this year, up to 3.9 million jobs in 2010, and up to 1.9 million jobs in 2011. These jobs will make a tremendous difference in revitalizing our economy.

But in the meantime, millions of Americans still need help to weather the storm. That is why this bill extends and temporarily increases unemployment insurance benefits. These extra dollars will give a strong boost to economic growth, while putting more money in the pockets of millions of Americans facing the worst job market in a quarter century.

Unfortunately, there are millions of hard-working Americans who have contributed to this vital program, but who don't benefit from it. Only 37 percent of unemployed workers receive benefits. These rules are particularly unfair to the most vulnerable Americans—including low-wage workers and the

many women who juggle work and childcare responsibilities.

There is no better time to strengthen this vital safety net and extend it to Americans who have funded it with their hard-earned dollars. That is why I am pleased that this legislation includes provisions from the Unemployment Insurance Modernization Act, a bipartisan bill which I have worked on with Senators BAUCUS, SNOWE, STABENOW, ROCKEFELLER, and many others. These provisions will immediately improve coverage for more than 500,000 workers unable to qualify for these benefits now. It will also provide needed funds to States to keep their unemployment offices open and running smoothly, even under the overwhelming flood of applications from workers who have lost their jobs.

The recovery package also strengthens the safety net by making other important investments in the health and wellbeing of children and low-income families. It provides major increases for the School Lunch Program, food stamps, Meals on Wheels, food bank aid, and low-income weatherization assistance. These programs are particularly vital today, when family budgets are being stripped to the bone.

I am especially pleased by the increase in food stamp aid. More than half a million residents in Massachusetts rely on food stamps to buy food each month. Nearly 70 percent of the assistance goes to households with children, and 20 percent goes to households with an elderly person.

These investments are essential to meet the needs of our most vulnerable citizens. In fact, increased spending on food stamps is among the most effective ways to stimulate the economy, and I commend the leadership for bringing forward a bill that makes this kind of wise and compassionate investment.

The legislation will also immediately help Americans to stay healthy, thus making them more productive and successful. It provides job support in medical research. It promotes a primary care workforce. It helps unemployed workers protect their health while looking for new jobs and opportunities.

To create a healthier America, we need greater emphasis on prevention. Citizens need access to primary care providers and preventive screenings, communities need vigorous prevention initiatives, and the nation needs a strong national public health infrastructure and workforce. In our ongoing discussions and work on health reform, it is vital for us to address how best to support prevention and wellness and revitalize our public health system.

Funds provided in the bill are also an important first step in increasing the nation's ability to conduct comparative effectiveness research and achieve the important goal of helping Americans obtain the right care, in the right place, at the right time, every time.

It makes no sense to hamstring such research by placing unnecessary re-

strictions on what may and may not be studied. Limiting studies only to the clinical practice of medicine could inadvertently prohibit research comparing reforms in health services. One of the best examples of comparative effectiveness research is a study of patients with pneumonia, which has helped us understand who should be hospitalized and who can be cared for at home. That is important science, and we need to encourage it.

Obviously, this stimulus funding is by no means the end of the comparative effectiveness research movement. It is just the beginning. The debate over what research should be conducted, how it should be governed, and how it should be used should be reserved for the ongoing policy discussion.

The legislation also includes important investments in health information technology. Use of electronic medical records will enable our health care system to provide the highest possible quality of care, and also benefit from the improved efficiency that other industries have already achieved through IT. This investment will help develop a high-tech infrastructure for our health care system, and it will also create high paying jobs today. IT industry experts estimate that every \$10 billion spent on health information will create more than 200,000 jobs in manufacturing, software development and information technology services.

Finally, the recovery package before us also takes important steps to strengthen education as a key strategy to revitalize the economy and move America forward. It includes important investments at every point in the education pipeline. It will help to prevent harmful teacher layoffs and cuts in school budgets, expand access to child care and preschool programs, and strengthen Pell grants to provide a lifeline of assistance to needy college students.

American education is severely affected by the economic downturn. This package responds directly to that challenge by beginning to revive America's preschool classrooms, its elementary, middle, and high schools, and colleges.

Resources devoted to education and to the future of America's youth are among the most important investments proposed in this legislation, and this assistance couldn't come at a better time. According to the Center on Budget and Policy Priorities, 34 States have implemented or proposed cuts in K-12 education. It is part of the economic crunch of rising unemployment, declining consumer spending, and home foreclosures. Per pupil spending has been reduced, school breakfast programs have been eliminated, training for teachers and principals has been cut off, and in some cases schools have been forced to reduce hours in the school day or shorten the school year.

Across the Nation, school superintendents have implemented or plan to implement staff reductions. Many

school districts facing shrinking budgets are planning cuts in math and science classes, in new teacher programming, and in teacher mentoring—and they are also increasing class sizes. We must not force America's students to bear these high costs of our economic crisis.

I am especially pleased, therefore, that this legislation includes \$39 billion in emergency basic aid to states to prevent harsh cutbacks and reduce budget shortfalls in early childhood education, K-12 education, and higher education. Such aid is a lifeline of support for America's preschools, classrooms, and college campuses.

The bill also makes a significant commitment toward meeting the needs of low-income children, by providing \$12.4 billion under title I of the Elementary and Secondary Education Act, and provides an unprecedented \$13.5 billion to assist schools in meeting their commitment to students with special needs under the Individuals with Disabilities Education Act.

The increase in funding for title I immediately demonstrates our commitment to prevent harmful cuts and deliver the support and solutions needed for schools to close achievement gaps and meet the goals of the No Child Left Behind Act.

The investment in IDEA is a down payment towards finally meeting the Federal Government's 33-year old promise to fund 40 percent of the average per-pupil expenditure for every child in special education. The Federal Government now funds less than half of this commitment, because of the economic shortfall at the local level that is being exacerbated by the current crisis.

I am also pleased that this legislation makes a key investment in upgrading schools for the 21st century by investing in the education technology program under the No Child Left Behind Act.

For low-income college students across the country, the bill increases the maximum Pell grant by \$281 for the next school year, and by \$400 for the year after that. College costs have risen by more than 400 percent over the past 20 years, but the size of the Pell grant has fallen far behind. The College Cost Reduction and Access Act we passed in the last Congress was a downpayment on this challenge, and this bill is another step in the right direction.

In the current economic climate, this support is more important than ever. As in recessions past, Americans are entering or returning to college in record numbers. Over 6 million citizens have applied for Pell grants this year, an increase of over 10 percent compared to last year. With more and more low-income families and fewer and fewer jobs to go around, opening the doors of college to more students is a sensible response to this economic challenge. It will help us weather the crisis and better prepare our Nation to compete in the future.



Our recovery won't be fair unless it also includes our Nation's youngest and most vulnerable children. This bill delivers over \$1 billion for the Head Start and Early Head Start programs, which will allow about 50,000 more children to participate in these programs. The size of Early Head Start will be increased by half, creating almost 30,000 jobs.

Investments in high-quality early learning programs like Head Start produce excellent returns for later economic growth and job development. Currently, Head Start serves only half of eligible preschoolers, and Early Head Start serves less than 3 percent of eligible infants and toddlers. These programs have been struggling, because operating costs associated with providing high-quality early childhood education are soaring, yet staff, program hours, transportation, and other services have been declining in order to deal with a 13-percent decrease in funds. The funding in this recovery package will help Head Start Centers across the country get back on their feet and back on track serving our youngest children.

The legislation also invests in essential child care assistance for children and parents. It provides an increase of \$2 billion in the child care development block grant, so that States can serve an additional 480,000 needy children, and paid work opportunities are created for 190,000 caregivers.

Quality child care produces long-term benefits in children's learning and development. It also allows parents to continue working productively. The licensed child care sector enables parents to earn more than \$100 billion annually, generating nearly \$580 billion in direct and indirect labor income and more than 15 million jobs.

We know that child care is one of the largest expenses for low-income families. Between 2006 and 2007, the average cost of full-time infant child care rose by 6.5 percent, and child care costs for four-year olds rose by 5.3 percent. Yet funding for the child care development block grant has been nearly flat since 2002. As a result, nearly 140,000 fewer children are receiving Federal assistance under this program than in 2002. Only one out of every seven children eligible for assistance under this program now receives it.

There is no question that the challenges we face as a nation are daunting. But they are challenges we must face together. Following the President's lead, we must ask more Americans to be part of the solution. This legislation makes that possible by including \$200 million for national service programs and infrastructure, an important investment for these difficult times.

With the crisis hitting community after community, the demand for services and assistance is sharply increasing. In response, more Americans, young and old, are answering the President's call to serve. They are looking

for ways to help. Applications to service organizations are up. AmeriCorps members across the country are already performing this needed role, from mentoring youth whose families are struggling, to ensuring low-income individuals have a place to go home to. The increased funding for national service opportunities in this bill will enable more Americans to help those in need, and will also provide support and assistance for nonprofit organizations doing some of the most important work in our neediest communities. Much more can be done to expand these opportunities and encourage more Americans to put their skills and ingenuity to work for others in their hard-hit communities. This legislation is a significant step toward this goal.

This package makes many critical investments in our infrastructure and in our future. Never has action been more urgently needed to jumpstart our economy. This recovery legislation is an indispensable and long-overdue step toward putting our economy back to work for American families. I urge my colleagues on both sides of the aisle to support these strong measures and to save and create jobs. Together, we can turn our economy around and begin a new era of prosperity for all our Nation's families.

Mr. LEVIN. Madam President, the American people are counting on us to act to stabilize and revitalize the economy, and the Economic Recovery and Reinvestment Act that the Senate is considering is an essential part of that effort. It will create jobs and make investments to bolster our economy in both the short and long term.

The situation is dire. The Nation is in a deep recession. Michigan's unemployment rate is the highest in the country. Michigan has lost over half a million jobs since January 2001, and more than 300,000 of those were manufacturing jobs. In this January alone, the Nation lost 598,000 jobs, including 207,000 manufacturing jobs, and the number of first-time jobless claims was higher than any time in the past quarter century. The economy is in very bad shape, and it is getting worse.

Job creation must be our No. 1 priority as we work to turn the economy around, and jobs are the focus of this recovery plan. The provisions in this bill are designed to create jobs, including funding for infrastructure, tax cuts, and investments in critical technology. The Obama administration estimates that this plan will create or save over 3 million jobs nationwide—well over 100,000 jobs in Michigan alone—over the next 2 years, including jobs in health care, clean energy and construction.

The recovery plan includes funding for investments in technology and modernization efforts that can help us compete in the global economy.

The bill includes \$2 billion in funding for the Department of Energy for grants to manufacturers of advanced batteries and battery systems, which

will help provide American manufacturers the resources and the support they need to manufacture these batteries in U.S. facilities. The recovery package also includes \$100 million in Defense Production Act funding, which will go toward the support of manufacturers of technologies for the next generation of vehicles used by the military. This funding is critical because battery manufacturers and other manufacturers are deciding now where to locate their production facilities, and we cannot afford to lose those facilities and the jobs located there to other countries that are willing to offer greater financial incentives than we are.

The package also includes significant measures to expand the American market for advanced technology vehicles. It increases from 250,000 to 500,000 the number of plug-in hybrid vehicles eligible for the consumer tax credit for these vehicles. And it includes funding for Federal agencies to aggressively lease alternative energy vehicles—such as hybrid vehicles—to support a wide variety of agency missions. Government leasing of these vehicles will help stimulate production of these vehicles. We cannot just preach about the need to produce these vehicles. We must lead the way in purchasing them, even though their up-front cost is greater.

Shovel-ready infrastructure projects are the most immediate way to create jobs and get the economy moving quickly. The recovery plan includes over \$45 billion in funding for ready-to-go road, bridge, rail and other projects to immediately and directly create jobs. I supported an amendment that would have added further funding for such projects, which unfortunately did not pass. Michigan has over \$3 billion in transportation projects that can be commenced within 180 days. Even without the additional funding, the legislation we are considering will provide Michigan with nearly \$900 million in highway formula funds and \$165 million in transit formula funds, allowing for significant repairs to roads and bridges and purchases of buses for our public transit authorities. There is additional funding which will hopefully result in investments in the midwest high-speed rail corridor, and improvements to Amtrak that can help bring commuter rail to Michigan. I am especially pleased that the Senate stimulus bill distributes the highway infrastructure funds using the Surface Transportation Program, STP, authorized under the current highway law. The STP formula treats Michigan and other donor States in a much fairer manner than other highway funding allocation formulas.

The legislation also provides \$2 billion for the Army Corps to address river and harbor, flood and ecosystem restoration projects across our Nation. I am hopeful that a significant portion of these funds will be directed to the Great Lakes navigational system, one of our Nation's most important maritime highways, which faces a backlog

in many much-needed maintenance projects that are ready to go.

Additionally, the legislation includes \$6 billion for water infrastructure investments that will immediately employ people, protect public health, improve the environment, and create a stronger economic climate. This bill will provide Michigan with over \$150 million for job-creating projects to address crucial wastewater needs, and about \$70 million to improve water mains, leaking pipes, water treatment plants, pumping stations, and similar projects. It also includes \$200 million for environmental infrastructure projects that can create jobs while helping to mitigate the impact of combined sewer overflows, which dump harmful pollutants into the Great Lakes every year.

There are also nearly \$200 million worth of projects identified in conjunction with the Great Lakes Legacy Act, which was reauthorized in 2008 in order for the EPA to clean up contaminated sediments in the Great Lakes, which are shovel ready and could be done in a few months. Last year, the Brookings Institution released a report that concluded that a Federal investment would yield economic benefits of 2½ to 1. I will continue to push for these projects to be funded promptly from the appropriations in this bill.

The recovery package also includes \$100 million in competitive grants for the cleanup of brownfield sites where redevelopment is complicated because of real or potential environmental contamination. Last year, Michigan was awarded \$8 million for 22 such projects, and I am hopeful that a good portion of these grants will be awarded to Michigan communities. Because most of Michigan's grants were awarded for site assessments, rather than actual cleanup projects, I joined my colleagues Senators CARDIN and VOINOVICH in sponsoring an amendment that would allow the grants to be awarded for both assessments and cleanup projects. Both of these uses would quickly put people to work and make these sites attractive for investment and reuse, creating additional new jobs, generating additional tax revenues, and improving communities' overall quality of life.

Finally, on the infrastructure front, the bill includes about \$750 million for the National Park Service to address the lengthy backlog of maintenance projects and other important needs. I am hopeful that a significant portion of these funds will be used at Michigan's four national park units and the North Country National Scenic Trail. Michigan's park and trail funding needs are great, and numerous projects have been deferred for several years. It is estimated that Michigan's parks and trails could use upwards of \$35 million in funding for infrastructure investments that could be started within the next 18 months. I was concerned that the \$23 million set aside for deferred maintenance of trails might exclude,

for technical reasons, developing scenic trails, like the North Country Trail, which has 1,150 miles that run through Michigan. I obtained assurances on the record from Senator FEINSTEIN, the sponsor of the trail funding language that such trails would in fact be eligible for the trail funding, and I am hopeful that many trail maintenance projects will begin soon, creating jobs and boosting the economy.

The recovery bill will provide funds investing in health information technology, computerizing health records to reduce medical errors and save billions of dollars in health care costs.

The tax provisions in this legislation will create a refundable tax credit of \$500 for working individuals and \$1,000 for working families, covering 95 percent of working families. Taxpayers can receive this benefit through a reduction in the amount of tax that is withheld from their paychecks, or through claiming the credit on their tax returns. This will mean direct and immediate relief for nearly 4 million Michigan workers. For many struggling families, this will help them make ends meet in these tough times. By putting extra money in families' pockets, these targeted tax cuts will offer an immediate boost to the economy.

This recovery plan includes important measures that will modernize the current unemployment benefits system which includes administrative dollars and funds to incentivize States to modernize their unemployment insurance programs. This would mean more than \$90 million for the State of Michigan right off the bat. This plan will also provide a further extension of unemployment benefits which will help the approximately 162,000 unemployed workers in Michigan who are unable to find a job in these hard economic times and whose unemployment benefit will expire. Additionally, it will provide an additional \$100 per month in unemployment benefits, pumping money directly into depressed economic areas. Further, the bill temporarily exempts the first \$2,400 unemployment benefits from income tax, meaning more of these funds can go to recipients and help grow the economy. Providing job training in new and expanding fields will help to lower the unemployment rate and help today's workers better compete against foreign competition. The bill provides \$3.4 billion for job training including State formula grants for adult, dislocated worker, and youth programs, including \$1.2 billion to create up to one million summer jobs for youth. The training and employment needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors, with priority consideration to "green" jobs and health care, and increased funds for the Job Corps and YouthBuild programs. Green jobs training will include preparing workers for activities

supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power. It also provides \$500 million for State formula funds for vocational rehabilitation State grants to help individuals with disabilities prepare for and sustain gainful employment; and \$400 million for employment services grants to match unemployed individuals to job openings through State employment service agencies and allow States to provide customized reemployment services.

The bill includes funding to enhance and expand education initiatives aimed at ensuring that our next generation of Americans is able to meet the challenges of a global economy. It includes a \$39 billion State fiscal stabilization fund for local school districts and public colleges and universities, distributed through existing State and Federal formulas, and \$7.5 billion to States as incentive grants as a reward for meeting key education performance measures. It also addresses the needs of educationally disadvantaged students served through the Title I program, including \$12.4 billion to help close the achievement gap and enable these students to reach their potential. Further, the bill includes \$13 billion to improve educational outcomes for children served under the Individuals with Disabilities in Education Act. This level of funding will increase the Federal share of special education services to its highest level ever. Finally, the bill adds \$13.9 billion to increase the Pell grant maximum award and pay for increases in program costs resulting from increased eligibility and higher Pell grant awards. The bill supports an increased Pell Grant maximum award of \$281 in the 2009–2010 academic year and \$400 in the 2010–2011 academic year, which will help 7 million students pursue postsecondary education.

A provision was also included to encourage use of the low-income housing tax credit, an important tool for the development of affordable rental housing.

Together, the provisions in this bill offer significant hope for our Nation's economic future. Still, a comprehensive economic recovery effort is balanced on a three legged stool consisting of creating jobs, unfreezing credit markets, and addressing the housing crisis, including reduction in the flood of foreclosures.

I am assured that the Obama administration is moving towards prompt action on the other fronts. President Obama will soon be putting forward a significant housing measure focused on reducing foreclosures and stabilizing home values. The Treasury Department is working to reconfigure the so-called TARP funds, of which \$350 billion remains, to unfreeze our Nation's credit markets. The Treasury is also establishing sensible conditions for financial institutions who receive loans

from the government so we can monitor what they do with the funds and get them to resume the flow of credit.

This recovery plan represents an essential step toward stabilizing our economy. The infrastructure projects will create Michigan jobs, the tax provisions will help Michigan families and the investments in technology and modernization will pay dividends for years to come. While I am mindful of the further challenges we must address in order to end this recession, I support the Economic Recovery and Reinvestment Act with a sense of real urgency.

Mr. LEAHY. Madam President, I commend the Senate Appropriations Committee for including \$7 billion in the Reinvestment and Recovery Act for the Department of Commerce to improve broadband access in our country. This new program should bring broadband to unserved and underserved areas in Vermont and other rural parts of our country. That access is crucial to the vitality of rural communities which are in danger of being left off the technology highway.

During deliberation of the reinvestment and recovery bill over the past week, I offered amendment No. 332 to set aside \$100 million within the available \$7 billion to provide loan guarantees for broadband construction. The program established in the underlying bill currently will fund only grants. These grants will be an important pillar of any financing for a national build out of broadband. However, loan guarantees are another important financing option to construct broadband networks. That is why I am offering this amendment to set aside less than 2 percent of the \$9 billion for grants to establish a loan guarantee program.

Creating a loan guarantee program alongside the grant program has the benefit of leveraging billions of additional dollars in broadband investment. The \$100 million that my amendment would have set aside would have leveraged up to \$2 billion in additional broadband initiatives. And perhaps more importantly, a loan guarantee program would have the potential of advancing broadband projects that were prepared to move forward with bonds only to be halted due to the economic downturn and crisis in the credit markets.

In Vermont, I have been closely following the East Central Fiber, ECF, project. A group of 22 towns in the upper Connecticut and White River valleys of our State have formed a joint venture to bring fiber-optic broadband communications services to their region. The area is currently underserved or un-served with the type of modern communications infrastructure which is so critical to their long term economic survival. The East Central Fiber group was prepared to build their fiber to the home project through municipal financing until the credit markets collapsed during the economic downturn. A federal loan guarantee program could be the difference in financing this \$100 million initiative.

It makes sense to establish a loan guarantee program for broadband in conjunction with the new grant program this bill funds. The small percentage of funds my amendment would have set aside has the potential to leverage billions more in broadband investments for rural communities.

This amendment was cleared by the relevant committees. Unfortunately Senators who oppose the reinvestment and recovery bill will raise objections to adopting any amendments by unanimous consent. Thus my amendment No. 332, as modified, along with several other amendments were denied being included in the final legislation that will pass the Senate today.

I will continue to work with my colleagues to establish at Broadband Loan Guarantee program at the Department of Commerce. Such guarantees are an important part of any national strategy to bring broadband, including fiber to every home, to rural communities.

Mr. BYRD. Madam President, these are perilous economic times.

The national economy is shedding jobs at an alarming rate. Nearly 2 million jobs have been lost nationwide in the last 3 months, with 3.6 million jobs lost since December 2007. In West Virginia, our workforce has been buffered to some degree by the mining industry, but we, too, are now feeling the painful global recession. In December—in just 1 month—West Virginia lost 4,100 jobs. We are hearing more frequently about layoff and job loss announcements: Dow Chemical in Kanawha County, Century Aluminum and Alcan in Jackson County, Bayer Material Science in Marshall County, Patriot Coal in Boone and Kanawha Counties, Mountaineer Racetrack & Casino in Hancock County, Simonton Windows in Ritchie County, AGC Flat Glass in Harrison County, American National Rubber in Wayne County, Georgia-Pacific in Fayette County, Greenbrier Resort Hotel in Greenbrier County, Kingwood Mining in Preston County, and Goodies Clothing and Circuit City stores throughout the State.

The Federal Reserve has reduced its interest rate target to near zero, and continues to experiment with unprecedented programs to bolster lending, injecting about \$1 trillion into the banking system. Adding to the unease, the Congress has authorized the Treasury Department to purchase up to \$700 billion of toxic debt from financial institutions. This is an authority that has been used, so far, to recapitalize the banking system, seemingly with few, if any, strings attached on the institutions receiving the funding. Meanwhile, national deficits and debt are increasing to what still seem like improbable levels.

If the stimulus package before the Congress today seems extraordinary, it is because the economic and fiscal challenge before us is extraordinary.

Not only has the recession created a \$3.6 trillion economic gap over the next 5 years, but the fiscal programs of the

previous administration have left this Nation with a \$2.2 trillion deficit in infrastructure investments. Highway and mass transit systems, airport and rail construction, energy and water projects, schools and public facilities were starved under the previous administration. As State and local budgets shrink, these infrastructure deficits will continue to increase. In West Virginia, I have seen how inadequate infrastructure can limit access to jobs, to health care, and to schools. It can strangle and suffocate local economies.

It may seem incredible to some, but with a \$2.2 trillion infrastructure deficit, and a \$3.6 trillion contraction in the economy, an \$838 billion stimulus is not enough. Rather than cutting back the stimulus package as some have suggested, we should be adding funds to infrastructure projects, which is why I cosponsored an amendment to the stimulus bill that would have further increased investments in transportation infrastructure. I agree with others who have said that the risk here is not that we may do too much. The real risk is that we may not do enough, fast enough, soon enough, and that jobs will continue to evaporate.

I have tried to focus this stimulus where I think it can do the most good for the working people of this Nation, including the people of West Virginia. During the debate, I supported several amendments to limit costs, and to target spending and tax cuts toward working families and their communities. I fought to make sure the bill would create jobs quickly. Seventy eight percent of the stimulative effect will take place in the next 18 months—a big improvement compared to the House bill. I also sought to ensure that there is some oversight of how these funds are spent at the state and local level. I have supported the creation of a Recovery and Transparency Board comprised of inspector generals across the Federal Government, to bring to light wasteful and corrupt spending. Likewise, I am hopeful that this Board will monitor State and local management of these funds, to ensure that excessive or political strings are not attached, delaying this critical funding.

I am sorry to see this stimulus package derisively referred to as wasteful, pork-barrel spending. I suspect many of these naysayers are not looking to create jobs, so much as they are looking to create a sound bite. I do not consider moneys for our Nation's roads and bridges, for our schools and communities, and for a safety net for the unemployed and uninsured to be hand-outs. I do not consider funding wasteful if it helps to ensure that state and local officials do not have to layoff police officers, school teachers, and fire fighters.

This stimulus is exactly what we need to be doing. I have been fighting for this infrastructure funding for many years. The bill may not win any popularity contests, but it is still the best idea for helping to mitigate this

economic downturn. It achieves the principle goals of creating jobs, of helping to prevent painful and dangerous budget cuts at the State and local level, and of investing in the long-term growth of the U.S. economy. I unhesitatingly cast my vote in support of this measure.

Mr. GRASSLEY. Madam President, I want to speak about the trade adjustment assistance amendment that Senator BAUCUS and I have introduced.

It is amendment No. 404, and it is called the Trade and Globalization Adjustment Assistance Act of 2009.

My colleagues are used to hearing me talk about the importance of trade.

Trade creates good, well paying jobs for American workers, farmers, and service suppliers. Those jobs are more important than ever in this time of economic difficulty.

So we need to keep working hard to open new markets for U.S. goods and services.

But if we are going to engage in international trade, we need to make sure we are looking out for U.S. workers who are affected by foreign competition.

Our trade adjustment assistance program is the primary program the Federal Government has for helping those workers. Unfortunately, the program is out of date. It isn't doing enough to help the workers who need it. And that is why I have joined with Senator BAUCUS to update it.

Today's amendment is the culmination of months of hard work on the part of Senator BAUCUS and myself. And this work reflects years of oversight and careful thought. It is also the product of close collaboration and intensive negotiations with our counterparts on the House Ways and Means Committee, Chairman RANGEL and Congressman CAMP. I want to thank my colleagues for their cooperation and good will.

This amendment truly is a bipartisan, bicameral product. The amendment would update the trade adjustment assistance program in important ways, so it better serves the needs of our workers in the globalized economy of the 21st century. I will mention some of those changes now, and I anticipate that Senator BAUCUS and I will introduce report language into the RECORD to reflect the legislative intent behind the provisions we have included in our amendment.

One of the most important changes that the amendment makes is to open the trade adjustment assistance program to workers in the services sector. Those workers aren't currently eligible for trade adjustment assistance.

So, if you are a customer service representative, and your job is outsourced to India, you are out of luck.

That limitation makes no sense to me. Services make up almost 80 percent of our economy, so it makes sense that service workers should be eligible for adjustment assistance if they are adversely impacted by trade. But that

last point is critically important. Trade adjustment assistance should be made available to service workers, but only if they can demonstrate a causal nexus between trade and the loss of jobs.

The amendment I introduced with Senator BAUCUS requires an express determination of such a causal nexus before service workers can be certified for trade adjustment assistance. I wouldn't be here supporting this compromise if it didn't. The same goes for manufacturing workers. Trade adjustment assistance is premised upon an adverse trade impact, and this amendment preserves that nexus. Our amendment fills the hole in existing law so that software developers, customer service reps, and other service workers will be able to seek the same benefits that are currently available to workers in the manufacturing sector, and on the same terms. That is only fair.

We also increase the availability of training funds so that States can handle this expansion in eligibility and provide better training opportunities for displaced workers, to help them train for new careers. Our amendment expands the trade adjustment assistance for firms program to help individual firms better respond to foreign competition and avoid having to cut jobs to begin with. It improves the trade adjustment assistance for farmers program to provide targeted training and to help agricultural producers develop new skills and business plans. It creates a trade adjustment assistance for communities program to help entire communities respond to the pressures of globalization, and to help community colleges and other educational institutions develop new and more targeted courses to assist trade-impacted workers. And it helps States fund caseworker time spent with TAA clients, so that laid-off workers will have someone to help them examine their options and plan next steps.

Our amendment introduces a great deal more flexibility into the program, so that workers can choose between full-time and part-time training, or full-time work with limited wage insurance. Trade-impacted workers can even take advantage of training and case management services before they lose their jobs. Our amendment also improves the accountability and internal oversight of the program, at the State and Federal level, to provide additional assurance that taxpayer monies will be well-spent.

I have already noted that this amendment is a bipartisan effort that reflects the work of four offices. It is a compromise in many respects. There are portions of the amendment that I might have done differently if it were solely up to me. But that is the nature of compromise. And the overall policy embodied in this amendment is a good one that will do a lot of good for a lot of Americans—in Iowa and across the United States. Equally important, if we enact this amendment into law, it

will help unlock the trade agenda so we can progress with other important priorities. Chief among those is implementation of the Colombia trade agreement, which is my top trade priority. And then we need to turn to our other trade agreements with Panama and South Korea as well. We need to level the playing field so that our exporters, service suppliers, and farmers can increase their sales to foreign countries. It is more important than ever.

We have had a social compact on trade for over 45 years.

One side of that compact is to address the needs of trade-displaced workers, and we are doing that with the Baucus-Grassley amendment.

The other side is to open up new markets for U.S. exports.

That was a driving principle when President Kennedy established the trade adjustment assistance program. President Obama should hold true to that principle by doing everything he can to create new export opportunities, starting with implementation of our pending trade agreements. A pro-growth trade agenda should be integral to our economic recovery strategy.

Now let me turn to the provisions in this amendment dealing with the health coverage tax credit. The health coverage tax credit was the creation of a bipartisan effort in 2002. It was designed to help those who were losing their jobs and their health coverage due to trade-related restructuring. The health coverage tax credit represented the first time that the Federal Government offered assistance in the form of a tax credit to purchase health coverage. It was a new way of doing things. Instead of the government offering government-run coverage, the government was offering a tax credit to purchase private coverage. That is a good thing.

As a new program, it had start-up challenges. And the program has special challenges that we don't see in the regular insurance market. You see, the trade adjustment assistance program is for a limited number of people. And it is offered just while people who have lost their jobs are going through retraining and finding another job. Health insurers do their best when they are insuring a larger group of people for a longer period of time. That is how insurance normally works. But the TAA program is the opposite.

So this program has some special challenges to manage. And for a new program, I think it has managed those challenges pretty well. But there is always room for improvement. That is especially true for a new program like this one. The Government Accountability Office and the Internal Revenue Service have studied the health coverage tax credit program and offered their recommendations. The health plans have also offered suggestions for how to make the program work better.

The amendment that Senator BAUCUS and I have worked out would make a number of improvements to the program. These are improvements needed

to make it work better for eligible workers. First, we need to make coverage more affordable. That is something I hope we can address in more comprehensive health reform. But in the meantime, this amendment will make coverage affordable by increasing the tax credit to 80 percent of the cost of coverage. By providing more assistance, we can make private insurance options more affordable. Let's not forget that if we don't preserve access in the private market, many of these unemployed workers and their families will be forced into Medicaid. This amendment also makes important changes that will raise awareness about the program. One of the biggest barriers to enrollment is that people just don't know about the program. We are also going to help people with up-front costs during enrollment, and improve coverage for family members.

As I said before, this is not a perfect program and today's changes are not going to make it perfect. I hope as this process moves forward, we can still look for ways to expand the number of coverage options for people that want to use the credit. We should make sure they have a variety of choices in the individual market. But even though today's changes don't do everything we would like, they represent another step in making this program work better for unemployed workers and their families.

And I compliment Senator BAUCUS for his hard work and commitment to moving forward on these important reforms. With that, I invite my colleagues to join me in supporting amendment 404, the Trade and Globalization Adjustment Assistance Act of 2009. The reforms in this amendment will provide immediate benefits to workers impacted by trade in Iowa and across the country. Over the long term, these reforms will help to strengthen the global competitiveness of our workforce. And that translates into maintaining good-paying jobs right here in the United States.

Mr. BAUCUS. Madam President, a baker once told Studs Terkel, the great chronicler of the American people:

"Work is an essential part of being alive. Your work is your identity. It tells you who you are . . . There's such a joy in doing work well."

This body is considering legislation about economic growth and recovery. It is about energy, and it is about healthcare.

But we must never forget that we are also considering what is essential to Americans' lives. In our hands is a part of Americans' identities, and the joy and pride they get from a day's work well done.

And when we consider jobs lost in America, we must never forget that, in our hands, is also the pain of lost identity, lost pride, and lost meaning in Americans' lives.

Last week, Senator GRASSLEY and I—along with Chairman RANGEL and Mr. CAMP—completed negotiations on pro-

visions to renew and expand our trade adjustment assistance programs.

Our provisions promise American workers who have lost their jobs the chance to get back on their feet. And with that opportunity, it offers Americans another shot at the dignity and joy they get from an honest day's work.

Trade adjustment assistance—or "TAA"—has been my highest trade priority. For over two years, I have worked with Senator GRASSLEY and Chairman RANGEL to realize this priority. It was a long process, and it was not easy.

But I am proud to say that with their help, along with the invaluable support of Congressman Camp, and Senators SNOWE, BINGAMAN, CANTWELL, STABENOW, ROCKEFELLER, and others, we have achieved it.

When President Kennedy created trade adjustment assistance in 1962, he crafted it to reflect the needs and conditions of the American economy of his time.

Our new TAA provisions will reform and expand TAA to reflect the needs and conditions of our economy as we know it today. This renewal and expansion is historic. It is the most significant expansion of the program since President Kennedy created it.

And, most importantly, it will help TAA reach more Americans than ever before with the smart and effective services they need, when they need them.

The opportunities of international trade and job-creating exports have never been greater. For much of the past two years, growing American exports were a rare bright spot in our economy.

Yet with these opportunities also come risks. A sudden shift in global trade flows can send an industry reeling, taking its workers with it. In rural communities dependent on a single employer, the effect is even more sharply felt.

In my home State of Montana, the global recession has already hit our mines and our lumber industry. Workers in our aluminum and paper products companies also suffer in this crisis.

Trade adjustment assistance gives American workers caught in the cross-currents of international trade a chance to get back on their feet with retraining, a healthcare tax credit, and strategic support for firms.

But as important as TAA is to our workers, it has not kept up with our evolving economy. It remains limited in scope, limited in resources, and limited in its ability to deliver effective services.

That is why the TAA expansion that Senator GRASSLEY and I negotiated is so important. It addresses these limitations and makes trade adjustment assistance work better for far more workers.

First, and perhaps most significantly, our new TAA provisions extend

TAA to services workers. America remains a manufacturing powerhouse, but our economy has also evolved to create a vibrant and globally-integrated services industry. Services are now nearly 80 percent of our economy, yet TAA's benefits are out of reach for all services workers.

This legislation brings TAA in line with today's economy, extending TAA benefits to America's services industry workers, whether they are transportation workers, software designers, computer programmers, or airline maintenance technicians.

Second, our provisions extend TAA's offshoring provisions to all workers regardless of the country to which that job shifts.

Under current law, workers whose jobs shift abroad may only qualify for TAA if that shift is to countries with which we have a free trade agreement or certain other trade arrangements. But it does not cover eight of our top ten partners, including China, Japan, and Korea.

This legislation does away with that geographic limitation and expands TAA's benefits to cover all trade with all of our partner countries.

Third, our new TAA package increases training funds available to states by 160 percent—from \$220 million to \$570 million per year.

Job retraining programs are at the heart of TAA, and have proven the quickest and most effective way to give workers the skills they need to get back on the job. Take just two recent examples from Montana.

Wilfred Johnson lost his job after four decades in the lumber industry. He was 58 years old and had never before been unemployed. Mr. Johnson turned to local TAA administrators and with the help of TAA retraining funds, soon learned to operate heavy machinery. He earned his commercial driver's license, and started a new job with the Forest Service last spring.

Daryl Blasing also lost his job at a lumber mill. With the help of TAA, he retrained to learn information technology skills at a community college. Today, Mr. Blasing monitors election software for the State of Montana, a job he does so well that he earned the Governor's Award for Excellence in Performance.

Despite these and many similar successes around the country, workers' retraining needs often outpace TAA retraining resources. States including Iowa, Pennsylvania, Michigan, and North Carolina regularly exhaust their annual allotment of retraining funds before the year is out. Our new provisions remedy that funding shortfall and will make TAA training as effective as it could be.

Fourth, this reform also strengthens programs that offer American companies and farmers strategic assistance to keep them competitive and to keep their workers on the job.

Struggling farmers will be eligible for targeted and intensive technical assistance under the TAA for Farmers

program, leading to a better business plan and the seed money to get that plan off the ground.

We also more than triple the resources to back the successful TAA for Firms program, which partners small businesses with industry experts to improve their efficiency and competitiveness.

Fifth, I have worked with Senators SNOWE, CANTWELL, BINGAMAN, and GRASSLEY to devise a program to help communities struggling with the consequences of international trade.

When a large employer shuts down, entire communities feel the shock. This amendment recognizes the community-wide effects of trade and offers community-wide solutions.

Under the new TAA for Communities program, grants to technical colleges and public-private partnerships will help identify and invest in new viable and competitive industries. These small investments will help entire communities grow.

Sixth, our new TAA provisions take steps to ensure trade displaced workers have access to health care through a workable health coverage tax credit program.

Under current law, TAA-eligible workers can receive a 65 percent tax credit to buy certain health insurance. Our legislation will improve the affordability of health coverage for trade displaced workers by increasing the tax credit subsidy to 80 percent.

It will also provide workers retroactive reimbursement for premium costs that are paid while waiting to get enrolled in the health program.

Our legislation also improves coverage for spouses and dependents and establishes new rules to protect workers from being denied coverage based on pre-existing health conditions.

Our proposal also increases transparency around the costs and availability of health benefits and puts stronger mechanisms in place for ensuring workers have accurate and timely information about their health coverage options.

There are many other aspects to our TAA package. I am introducing into the record a detailed description of our provisions. Senator GRASSLEY and I prepared this document with Ways and Means Committee Chairman RANGEL and Ranking Minority Member CAMP.

This document is meant to serve as the legislative history of these many provisions, as well as to provide the rationale for the amendments we propose to current law.

Madam President, during this debate my colleagues have talked a lot about the promise of our economy and hope for the future.

I too am hopeful. I am hopeful because I know that with this legislation, we are trying to do what is best for America.

I am also hopeful because I believe, as Studs Terkel wrote, "Hope has never trickled down. It has always sprung up."

It will again spring up from the Americans who work to stay competitive in their current jobs. And hope will spring from those courageous and innovative workers who retrain for new jobs.

Our provisions to renew and expand Trade Adjustment Assistance will help them do that. I urge my colleagues to give it their support.

I ask unanimous consent to have the report language printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### I. LEGISLATIVE HISTORY

The Trade and Globalization Adjustment Assistance Act of 2009 ("Act") amends the Trade Act of 1974 ("the Trade Act") to reauthorize trade adjustment assistance to service workers, communities, firms, and farmers, and for other purposes. This document reflects the shared views of Chairman Baucus, Senator Grassley, Chairman Rangel, and Congressman Camp ("the Members") on the trade-related aspects of the Act. This document does not address the health coverage tax credit aspects of the Act.

#### II. EXPLANATION OF THE BILL

##### A. PART I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

##### 1. Subpart A—Trade Adjustment Assistance for Service Sector Workers

*Extension of Trade Adjustment Assistance to Service Sector and Public Agency Workers; Shifts in Production (Section 1701 (amending Sections 221, 222, 231, 244, and 247 of the Trade Act of 1974))*

##### PRESENT LAW

Section 222 of the Trade Act provides trade adjustment assistance to workers in a firm or an appropriate subdivision of a firm if (1) a significant number or proportion of the workers in the firm or subdivision have become (or are threatened to become) totally or partially separated; (2) the firm produces an article; and (3) the separation or threat of same is due to trade with foreign countries.

There are three ways to demonstrate the connection between job separation and trade. The Secretary of Labor ("the Secretary") must determine either (1) that increased imports of articles "like or directly competitive" with articles produced by the firm have contributed importantly to the separation and to an absolute decrease in the firm's sales or production, or both; (2) that the workers' firm has shifted its production of articles "like or directly competitive" with articles produced by the firm to a trade agreement partner of the United States or a beneficiary country under the Andean Trade Preference Act, the African Growth and Opportunity Act, or the Caribbean Basin Economic Recovery Act; or (3) that the firm has shifted production of such articles to another country and there has been or is likely to be an increase in imports of like or directly competitive articles.

Section 222 of the Trade Act also provides TAA to adversely affected secondary workers. Eligible secondary workers include (1) secondary workers that supply directly to another firm component parts for articles that were the basis for a certification of eligibility for TAA benefits; and (2) downstream workers that were affected by trade with Mexico or Canada.

When the Department investigates workers' petitions, it requires firms and customers to certify the questionnaires that the workers' firm and the firm's customers sub-

mit. Present law also authorizes the Secretary to use subpoenas to obtain information in the course of its investigation of a petition. The law provides for the imposition of criminal and civil penalties for providing false information and failing to disclose material information, but the penalties apply only to petitioners.

##### EXPLANATION OF PROVISION

The provision would amend section 222 of the Trade Act to expand the availability of TAA to include workers in firms in the services sector. Like workers in firms that produce articles, workers in firms that supply services would be eligible for TAA if a significant number or proportion of the workers have become (or are threatened to become) totally or partially separated, and if increased imports of services "contributed importantly" to the workers' separation or threat of separation.

As with articles, there would be three ways for service sector workers to demonstrate that they are eligible for TAA. First, TAA would be available if increased imports of services like or directly competitive with services supplied by the firm have contributed importantly to the separation and to an absolute decrease in the firm's sales or production, or both. Second, TAA would be available in "shift in supply" ("service relocation") scenarios, if the workers' firm or subdivision established a facility in a foreign country to supply services like or directly competitive with the services supplied by the trade-impacted workers. Third, TAA would be available in "foreign contracting" scenarios, if the workers' firm or subdivision acquired from a service supplier in a foreign country services like or directly competitive with the services that the trade-impacted workers had supplied. In each scenario, the relevant activity would need to have contributed importantly to the workers' separation or threat of separation.

The provision also expands the "shift in production" prong of present law by eliminating the requirement in section 222 that the shift be to a trade agreement partner of the United States or a country that benefits from a unilateral preference program. Under the modified provision, if workers are separated because their firm shifts production from a domestic facility to any foreign country, the separated workers would potentially be eligible for TAA. Additionally, there would be no requirement to demonstrate separately that the shift was accompanied by an increase of imports of products like or directly competitive with those produced by the workers' firm or subdivision.

The provision also amends section 222 to make workers at public agencies eligible for TAA. Under the modified provision, if a public agency acquires services from a foreign country that are like or directly competitive with the services that the public agency supplies, and if the acquisition contributed importantly to the workers' separation or threat thereof, the workers would be able to seek TAA benefits.

The provision also amends section 222 to expand the universe of adversely affected secondary workers that could be eligible for TAA. First, the provision adds firms that supply testing, packaging, maintenance, and transportation services to the list of downstream producers whose workers potentially are eligible for TAA. Second, workers at firms that supply services used in the production of articles or in the supply of services would also become potentially eligible for benefits. Third, the provision permits downstream producers to be eligible for TAA if the primary firm's certification is linked to trade with any country, not just Canada or Mexico.



The provision requires the Secretary to obtain information that the Secretary determines necessary to make certifications from workers' firms or customers of workers' firms through questionnaires and in such other manner as the Secretary considers appropriate. The provision also permits the Secretary to seek additional information from other sources, including (1) officials or employees of the workers' firm; (2) officials of customers of the firm; (3) officials of unions or other duly recognized representatives of the petitioning workers; and (4) one-stop operators. The provision states that the Secretary shall require a firm or customer to certify all information obtained through questionnaires, as well as other information that the Secretary relies upon in making a determination under section 223, unless the Secretary has a reasonable basis for determining that the information is accurate and complete.

The provision states that the Secretary shall require a worker's firm or a customer of a worker's firm to provide information by subpoena if the firm or customer fails to provide the information within 20 days, unless the firm or customer demonstrates to the Secretary's satisfaction that the firm or customer will provide the information in a reasonable period of time. The Secretary retains the discretion to issue a subpoena sooner than 20 days if necessary. The provision also establishes standards for the protection of confidential business information submitted in response to a request made by the Secretary.

The provision amends the penalties provision in section 244 of the Trade Act to cover individuals, including individuals who are employed by firms and customers, who provide information during an investigation of a worker's petition.

Finally, the provision amends section 247 of the Trade Act to add definitions for certain key terms and makes various conforming changes to sections 221 and 222.

#### REASONS FOR CHANGE

Most service sector workers presently are ineligible for TAA benefits because of a statutory requirement that the workers must have been employed by a firm that produces an "article." Of the 800 TAA petitions denied in FY2006, almost half were denied for this reason. Most of the denied service-related petitions came from two service industries: business services (primarily computer-related) and airport-related services (e.g., aircraft maintenance). In April 2006, the Department of Labor issued a regulation expanding TAA eligibility to software workers that partially, but not fully, addresses the service worker coverage issue. See GAO Report 07-702. The provision fully addresses the issue by making service sector workers eligible for TAA on equivalent terms to workers at firms that produce articles.

The provision expands the "shift in production" prong of present law for similar reasons. Under present law, a worker whose firm relocates to China is not necessarily eligible for TAA; such worker must also show that the relocation to China will result in increased imports into the United States. In contrast, a worker whose firm relocates to a country with which the United States has a trade agreement (e.g., Mexico, Israel, Chile) does not need to show increased imports. The provision eliminates this disparate treatment by making TAA benefits available in both scenarios on the same terms.

Present law also fails to cover foreign contracting scenarios, where a company closes a domestic operation and contracts with a company in a foreign country for the goods or services that had been produced in the United States. For example, if a U.S. airline

lays off a number of its U.S.-based maintenance personnel and contracts with an independent aircraft maintenance company in a foreign country, the laid off personnel are not covered under present law, even if they lost their jobs because of foreign competition. The proponents believe such workers should be potentially eligible for TAA benefits.

Similarly, the proponents believe that workers who supply services at public agencies should be treated the same as their private-sector counterparts: if such workers are laid off because their employer contracts with a supplier in a foreign country for the services that the workers had supplied, the workers should be able to seek TAA benefits.

The provision provides that in cases involving production or service relocation or foreign contracting, a group of workers (including workers in a public agency) may be certified as eligible for adjustment assistance if the shift "contributed importantly" to such workers' separation or threat of separation. This requirement is identical to the existing causal link requirement in section 222(a)(2)(A)(iii), which establishes the criteria for certifying workers on the basis of "increased imports."

The proponents understand that the Department of Labor has interpreted the "contributed importantly" requirement in section 222(a)(2)(A)(iii) to mean that imports must have been a factor in the layoffs or threat thereof. Or, in other words, under present law the Secretary of Labor will certify a group of workers as eligible for assistance if the facts demonstrate a causal nexus between increased imports and the workers' separation or threat thereof. The proponents approve of the Department's interpretation of the "contributed importantly" requirement and expect that the Department will continue to apply it in future cases involving increased imports.

Similarly, the proponents also understand that the existing language in section 222(a)(2)(B) addressing production relocation contains an implicit causation requirement. Thus, the Department has required production relocation under section 222(a)(2)(B) to be a factor in the workers' separation or threat thereof. The provision makes the requirement explicit.

The proponents emphasize that by making the "contributed importantly" requirement in section 222(a)(2)(B) explicit, no change in the Department's administration of cases involving production relocation is intended. The proponents expect that this change in section 222 would not affect the outcomes that the Department has been reaching under present law in such cases, and will not alter outcomes in future cases. Thus, as has been the case, if the Department finds that production relocation was a factor in the layoff (or threat thereof) of a group of workers in the United States, the proponents expect that the Secretary will certify such workers as eligible for adjustment assistance.

Finally, with respect to certifications involving production or service relocations or foreign contracting, the proponents recognize that there may be delays in time between when the domestic layoffs (or threat of layoffs) occur, and when the production or service relocation or foreign contracting occurs. The proponents intend that the Department of Labor certify petitions where there is credible evidence that production or service relocation or foreign contracting will occur, and when the other requirements of the statute are met. Such evidence could include the conclusion of a contract relating to foreign production of the article, supply of services, or acquisition of the article or service at issue; the construction, purchase, or

renting of foreign facilities for the production of the article, supply of the service, or acquisition of the article or service at issue; or certified statements by a duly authorized representative at the workers' firm that the firm intends to engage in production or service relocation or foreign contracting.

The proponents are aware of concerns that the Secretary may rely on inaccurate information in making its determinations, including when denying certification of petitions. The provision addresses these concerns by requiring the Secretary to obtain certifications of all information obtained from a firm or customer through questionnaires as well as other information from a firm or customer that the Secretary relies upon in making a determination under section 223, unless the Secretary has a reasonable basis for determining that the information is accurate and complete.

The proponents are also aware of concerns that some firms and customers fail to respond to the Secretary's requests for information or provide inaccurate or incomplete information. The subpoena, confidentiality of information, and penalty language included in this provision are designed to address these problems.

The provision would also apply if the Secretary needs to obtain information from a customer's customer, such as in an investigation involving component part suppliers.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Group Eligibility—Component Parts (Section 1701 (amending Section 222 of the Trade Act of 1974))*

#### PRESENT LAW

Under present law, U.S. suppliers of inputs (i.e., component parts) may be certified for TAA benefits only pursuant to the secondary workers provision of section 222(b), which requires that the downstream producer have employed a group of workers that received TAA certification. Thus, for example, domestic producers of taconite have been unable to obtain certification for TAA benefits when downstream producers of steel slab have not obtained certification.

Additionally, U.S. suppliers of inputs have been unable to obtain certification for TAA benefits in situations in which there is a shift in imports from articles incorporating their inputs to articles incorporating inputs produced outside the United States.

#### EXPLANATION OF PROVISION

The provision allows for the certification of workers in a firm when imports of the finished article incorporating inputs produced outside the United States that are like or directly competitive with imports of the finished article produced using U.S. inputs have increased and the firm has met the other criteria for certification, including a significant number of workers being totally or partially separated, a decrease in sales or production, and the increase in imports has contributed importantly to the workers' separation.

For example, under the new provision, workers in a U.S. fabric plant may be certified if the U.S. firm sold fabric to a Honduran apparel manufacturer for production of apparel subsequently imported into the United States and (1) the Honduran apparel manufacturer ceased purchasing, or decreased its purchasing, of fabric from the U.S. producer and, instead, used fabric from another country; or (2) imports of apparel from another country using non-U.S. fabric that are like or directly competitive with imports of Honduran apparel using U.S. fabric have increased.

Prior to certification, the Department of Labor would also have to determine that the firm met the other statutory requirements for certification, including that a significant number of workers had been totally or partially separated, or are threatened to become totally or partially separated, the sales or production of the petitioning fabric firm had decreased, and the increased imports of apparel using non-U.S. fabric had contributed importantly to that decrease and to the workers' separation or threat thereof.

Likewise, workers in a U.S. picture tube manufacturing plant that sells picture tubes to a Mexican television manufacturer for production of televisions subsequently imported into the United States would be certified under section 222 if the U.S. manufacturer's sales or production of picture tubes decreased and (1) the manufacturer of televisions located in Mexico switched to picture tubes produced in another country; or (2) imports of televisions from another country using non-U.S. picture tubes that are like or directly competitive with imports of Mexican televisions using U.S. picture tubes have increased.

As in the apparel example above, prior to certification, the Department of Labor would also have to determine that the picture tube firm met the other statutory requirements for certification, including that a significant number of workers had been totally or partially separated, or are threatened to become totally or partially separated, the sales or production of the petitioning picture tube firm had decreased, and the increased imports of televisions using non-U.S. picture tubes had contributed importantly to that decrease and to the workers' separation or threat thereof.

#### REASONS FOR CHANGE

Section 222(a) is being amended to provide improved TAA coverage for U.S. suppliers of inputs, and to address situations where suppliers of component parts have been unable to obtain certification for TAA benefits because of gaps in coverage under present law.

The amended language is broad enough to encompass both the situation in which the input producer's customer switches to inputs produced outside the United States, and the situation in which the input producer's customer is displaced by a third country producer, because both situations may equally impact the sales or production of the domestic input producer.

Additionally, for purposes of section 222(a)(2)(A)(ii)(III), as in other instances, when company-specific data is unavailable, the Secretary may reasonably rely on such aggregate data or such other information as the Secretary deems appropriate.

As reflected in the examples above, the proponents intend that the Secretary of Labor should interpret the term component parts, as used in section 222(a)(2)(A)(ii)(III), flexibly. For example, the proponents intend that uncut fabric would be considered to be a component part of apparel for purposes of this provision, even though, for purposes of other trade laws, U.S. Customs and Border Protection might not consider such fabric to be a component part.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Separate Basis for Certification (Section 1702 (amending Section 222 of the Trade Act of 1974))*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

The provision amends section 222(c) of the Trade Act by providing that a petition filed

under section 221 of the Trade Act on behalf of a group of workers in a firm, or appropriate subdivision of a firm, meets the requirements of subsection 222(a) of the Trade Act if the firm is publicly identified by name by the U.S. International Trade Commission ("ITC") as a member of a domestic industry in (1) an affirmative determination of serious injury or threat thereof in a global safeguard investigation under section 202(b)(1) of the Trade Act; (2) an affirmative determination of market disruption or threat thereof in a China safeguard investigation under section 421(b)(1) of the Trade Act; or (3) an affirmative final determination of material injury or threat thereof in an antidumping or countervailing duty investigation under section 705(b)(1)(A) or 735(b)(1)(A) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)(1)(A) and 1673d(b)(1)(A)), but only if the petition is filed within 1 year of the date that notice of the affirmative ITC determination is published in the Federal Register (or, in the case of a global safeguard investigation under section 202(b)(1), a summary of the report submitted to the President by the ITC under section 202(f)(1) is published in the Federal Register under section 202(f)(3)) and the workers on whose behalf such petition was filed have become totally or partially separated from such workers' firm within either that 1-year period or the 1-year period preceding the date of such publication.

#### REASONS FOR CHANGE

The proponents note that the provision allows workers in firms publicly identified by name in certain ITC investigations to be eligible for adjustment assistance on the basis of an affirmative injury determination by the ITC under certain circumstances, and without an additional determination by the Secretary of Labor that either increased imports of a like or directly competitive article contributed importantly to such workers' separation or threat of separation (and to an absolute decline in the sales or production, or both, of such workers' firm or subdivision), or that a shift in production of articles contributed importantly to such workers' separation or threat of separation.

In order for workers to avail themselves of this provision, the petition must be filed with the Secretary (and with the Governor of the State in which such workers' firm or subdivision is located) within 1 year of the date of publication in the Federal Register of the applicable notice from the ITC and the workers on whose behalf such petition was filed must have become totally or partially separated from such workers' firm within either that 1-year period or the 1-year period preceding such date of publication.

If a petition is filed on behalf of such workers more than 1 year after the date that the applicable notice from the ITC is published in the Federal Register, it will remain necessary for the Secretary of Labor to investigate the petition and determine that the statutory criteria for certifying such workers in section 222 are satisfied.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Determinations by the Secretary of Labor (Section 1703 (amending Section 223 of the Trade Act of 1974))*

#### PRESENT LAW

The Secretary is required to investigate petitions filed by workers and determine whether such workers are eligible for TAA benefits. A summary of such group eligibility determination, together with the Secretary's reasons for making the determination, must be promptly published in the Fed-

eral Register. Similarly, a termination of a certification, together with the Secretary's reasons for the termination, must be promptly published in the Federal Register.

#### EXPLANATION OF PROVISION

This section requires the Secretary to publish (1) a summary of a group eligibility determination, together with the Secretary's reasons for the determination; and (2) a certification termination, together with the Secretary's reasons for the termination, promptly on the Department's website (as well as in the Federal Register). The section also requires the Secretary to establish standards for investigating petitions, and criteria for making determinations. Moreover, the Secretary is required to consult with the Senate Committee on Finance ("Senate Finance Committee") and the Committee on Ways and Means of the House of Representatives ("House Committee on Ways and Means") 90 days prior to issuing a final rule on the standards.

#### REASONS FOR CHANGE

To improve accountability, transparency, and public access to this information, the Secretary should be required to post (1) a summary of a group eligibility determination, together with the Secretary's reasons for the determination; and (2) a certification termination, together with the Secretary's reasons for the termination, promptly on the Department's website (as well as in the Federal Register). The Secretary also should have objective and transparent standards for investigating petitions, and criteria for the basis on which an eligibility determination is made. The Secretary should consult with Senate Finance and House Ways and Means to ensure the intent of Congress is accurately reflected in such standards.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Monitoring and Reporting Relating to Service Sector (Section 1704 (amending Section 282 of the Trade Act of 1974))*

#### PRESENT LAW

Present law requires the Secretaries of Commerce and Labor to establish and maintain a program to monitor imports of articles into the United States, including (1) information concerning changes in import volume; (2) impacts on domestic production; and (3) impacts on domestic employment in industries producing like or competitive products. Summaries must be provided to the Adjustment Assistance Coordinating Committee, the ITC, and Congress.

#### EXPLANATION OF PROVISION

The provision is renamed "Trade Monitoring and Data Collection." The provision requires the Secretaries of Commerce and Labor to monitor imports of services (in addition to articles). To address data limitations, the provision requires the Secretary of Labor, not later than 90 days after enactment, to collect data on impacted service workers (by State, industry, and cause). Finally, it requires the Secretary of Commerce, in consultation with the Secretary of Labor, to report to Congress, not later than one year after enactment, on ways to improve the timeliness and coverage of data regarding trade in services.

#### REASONS FOR CHANGE

Existing data on trade in services are sparse. Because of the increases in trade in services, the proponents believe that it is critical that the government collect data on imports of services and the impact of these imports on U.S. workers. Such information

will be useful when considering any further refinement of TAA that Congress may contemplate. More generally, the additional data will give U.S. businesses and workers insight into trade in services, helping them better compete in the global marketplace.

#### EFFECTIVE DATE

The provision goes into effect on the date of enactment of this Act.

#### 2. Subpart B—Industry Notifications Following Certain Affirmative Determinations

*Notifications following certain affirmative determinations (Section 1711 (amending Section 224 of the Trade Act of 1974))*

#### PRESENT LAW

Present law includes a provision requiring the ITC to notify the Secretary of Labor when it begins a section 201 global safeguard investigation. The Secretary must then begin an investigation of (1) the number of workers in the relevant domestic industry; and (2) whether TAA will help such workers adjust to import competition. The Secretary of Labor must submit a report to the President within 15 days of the ITC's section 201 determination. The Secretary's report must be made public and a summary printed in the Federal Register.

#### EXPLANATION OF PROVISION

The provision expands the notification requirement to instruct the ITC to notify the Secretary of Labor and the Secretary of Commerce, or the Secretary of Agriculture when dealing with agricultural commodities, when it issues an affirmative determination of injury or threat thereof under sections 202 or 421 of the Trade Act, an affirmative safeguard determination under a U.S. trade agreement, or an affirmative determination in a countervailing duty or dumping investigation under sections 705 or 735 of the Tariff Act of 1930. Additionally, the provision requires the President to notify the Secretaries of Labor and Commerce upon making an affirmative determination in a safeguard investigation relating to textile and apparel articles. Whenever an injury determination is made, the Secretary of Labor must notify employers, workers, and unions of firms covered by the determination of the workers' potential eligibility for TAA benefits and provide them with assistance in filing petitions. Similarly, the Secretary of Commerce must notify firms covered by the determination of their potential eligibility for TAA for Firms and provide them with assistance in filing petitions, and the Secretary of Agriculture must do the same for investigations involving agricultural commodities.

#### REASONS FOR CHANGE

A significant hurdle to ensuring that workers and firms avail themselves of TAA benefits is the lack of awareness about the program. In situations like these, where the ITC has made a determination that a domestic industry has been injured as a result of trade, giving notice to the workers and firms in that industry of TAA's potential benefits is warranted.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Notification to Secretary of Commerce (Section 1712 (amending Section 225 of the Trade Act of 1974))*

#### PRESENT LAW

Under present law, the Secretary of Labor must provide workers with information about TAA and provide whatever assistance is necessary to help petitioners apply for TAA. The Secretary must also reach out to

State Vocational Education Boards and their equivalent agencies, as well as other public and private institutions, about affirmative group certification determinations and projections of training needs.

The Secretary must also notify each worker who the State has reason to believe is covered by a group certification in writing via U.S. Mail of the benefits available under TAA. If the worker lost his job before group certification, then the notice occurs at the time of certification. If the worker lost her job after group certification, then the notice occurs at the time the worker loses her job. The Secretary must also publish notice in the newspapers circulating in the area where the workers reside.

#### EXPLANATION OF PROVISION

The provision requires the Secretary of Labor, upon issuing a certification, to notify the Secretary of Commerce of the identity of the firms covered by a certification.

#### REASONS FOR CHANGE

Firms employing workers certified as eligible for TAA benefits may not be aware that they may be eligible for assistance under the TAA for Firms program. Requiring the Secretary of Labor to notify the Secretary of Commerce when workers at a firm are certified as TAA eligible will help put these firms on notice of their potential TAA for Firms eligibility.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

#### 3. Subpart C—Program Benefits

*Qualifying requirements for workers (Section 1721 (amending Section 231 of the Trade Act of 1974))*

#### PRESENT LAW

Present law authorizes a worker to receive TAA income support (known as "Trade Readjustment Allowance" or "TRA") for weeks of unemployment that begin 60 days after the date of filing the petition on which certification was granted.

To qualify for TAA benefits, a worker must have (1) lost his job on or after the trade impact date identified in the certification, and within two years of the date of the certification determination; (2) been employed by the TAA certified firm for at least 26 of the 52 weeks preceding the layoff; and (3) earned at least \$30 or more a week in that employment.

A worker must qualify for, and exhaust, his State unemployment compensation ("UC") benefits before receiving a weekly TRA.

Further, to receive TRA, a worker must be enrolled in an approved training program by the later of 8 weeks after the TAA petition was certified, or 16 weeks after job loss (the "8/16" deadline). The 8/16 deadline can be extended in certain limited circumstances. Workers may also receive limited waivers of the 8/16 training enrollment deadline.

Present law provides for waivers in the following circumstances: (1) the worker has been or will be recalled by the firm; (2) the worker possesses marketable skills; (3) the worker is within 2 years of retirement; (4) the worker cannot participate in training because of health reasons; (5) training enrollment is unavailable; or (6) training is not reasonably available to the worker (nothing suitable, no reasonable cost, no training funds).

Waivers last 6 months, unless the Secretary determines otherwise, and will be revoked if the basis for the waiver no longer exists. States have the authority to issue waivers. By regulation, State and local agen-

cies must "review" the waivers every thirty days.

If a worker fails to begin training or has stopped participating in training without justifiable cause or if the worker's waiver is revoked, the worker will receive no income support until the worker begins or resumes training.

#### EXPLANATION OF PROVISION

The provision amends existing law to change the date on which a worker can receive TAA income support from 60 days from the date of the petition to the date of certification.

The provision strikes the 8/16 rule and extends the deadline for trade-impacted workers. If a worker lost his job before the certification, then the worker has 26 weeks from the date of certification to enroll in training. If the worker lost his job after certification, he has 26 weeks from the date he lost his job to enroll in training.

The provision also gives the Secretary the authority to waive the new 26 week training enrollment deadline if a worker was not given timely notice of the deadline.

The provision clarifies that the "marketable skills" training waiver may apply to workers who have post-graduate degrees from accredited institutions of higher education.

The provision requires the State to review training waivers 3 months after such waiver is issued, and every month thereafter.

#### REASONS FOR CHANGE

The proponents believe that the 60-day rule makes little sense and leads to the following scenario: a worker laid off well before certification could exhaust his unemployment insurance and yet have to wait to receive the trade readjustment assistance to which the worker was otherwise entitled.

The Government Accountability Office, the Department of Labor, the states, and workers' advocacy groups have criticized the 8/16 deadline as being too short. First, these deadlines often occur while the worker is still on traditional UI (most workers receive up to 26 weeks of State UI compensation). During those 26 weeks, most workers are actively engaged in a job search and are not focused on retraining. Forcing workers to enroll in training at such an early stage can discourage active job search. Second, typically, a worker decides to consider training only after an extended period of unsuccessful job searching. Under present law, workers are only beginning to consider training options close to the 8/16 deadline, and often make hurried decisions about training merely to preserve their TAA eligibility. Third, when large numbers of certified workers are laid off all at once, it can be difficult for TAA administrators to perform adequate training assessments and meet the 8/16 deadline. See GAO Report 04-1012. Therefore, extending the enrollment deadlines to the later of 26 weeks after layoff or certification would provide a reasonable period for a worker to search for employment and consider training options, as well as for the State to assess workers and meet the enrollment deadlines.

While recognizing the necessity of waivers in certain circumstances, states have identified the monthly review of waivers to be burdensome. Many states have complained that processing the sheer volume of waivers requires significant administrative time and cost. For example, according to GAO, 59,375 waivers were issued in 2005 (and 60,948 in 2004). The new requirement that waivers be reviewed initially three months rather than one month after they are issued reduces the administrative burden while continuing to provide for appropriate review, thus allowing the State to ensure the worker continues to

qualify for the waiver. The provision does not require a review of waivers issued on the basis that an adversely affected worker is within two years of being eligible for Social Security benefits or a private pension. The status of such workers is unlikely to change and thus, automatic review of their waivers is a waste of resources. States still retain the discretion to review such waivers if circumstances warrant.

When a worker has failed to meet the training enrollment deadline through no fault of his own, the proponents believe that there should be redress. Under present law, there is none. The Department of Labor has acknowledged that this is a problem.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Weekly amounts (Section 1722 (amending Section 232 of the Trade Act of 1974))*

#### PRESENT LAW

TRA is the income support that workers receive weekly. It is equal to the worker's weekly UI benefit. TRA is divided into two main periods: "Basic TRA" and "Additional TRA."

Under present law, because of the operation of State UI laws, workers who are in training and working part-time run the risk of resetting their UI benefits (and their TRA benefit) at the lower part-time level which would leave them with insufficient income support to continue with training.

#### EXPLANATION OF PROVISION

The provision amends existing law to (1) disregard, for purposes of determining a worker's weekly TRA amount, earnings from a week of work equal to or less than the worker's most recent unemployment insurance benefits where the worker is working part-time and participating in full-time training; and (2) ensure that workers will retain the amount of income support provided initially under TRA even if a new UI benefit period (with a lower weekly amount) is established due to the worker obtaining part-time or short-term full-time employment.

#### REASONS FOR CHANGE

The proponents believe that the disincentive to combining full-time training and part-time work needs to be removed so that workers who might not otherwise be in training, but for the additional income they earn working part-time, are not excluded from the program.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Limitations on Trade Readjustment Allowances; Allowances for Extended Training and Breaks in Training (Section 1723 (amending Section 233(a) of the Trade Act of 1974))*

#### PRESENT LAW

Basic TRA is available for 52 weeks minus the number of weeks of unemployment insurance for which the worker was eligible (usually 26 weeks). Basic TRA must be used within 104 weeks after the worker lost his job (130 weeks for workers requiring remedial training). Any Basic TRA not used in that period is foregone.

Additional TRA is available for up to 52 more weeks if the worker is enrolled in and participating in training. The worker receives Additional TRA only for weeks in training. A worker on an approved break in training of 30 days or less is considered to be participating in training and therefore eligible for TRA during that period. Additional

TRA must otherwise be used over a consecutive period (e.g., 52 consecutive weeks).

Participation in remedial training makes a worker eligible for up to 26 more weeks of TRA.

#### EXPLANATION OF PROVISION

The provision increases the number of weeks for which a worker can receive Additional TRA from 52 to 78 and expands the time within which a worker can receive such Additional TRA from 52 weeks to 91 weeks.

#### REASONS FOR CHANGE

The proponents believe that the program must provide incentives for eligible workers to participate in long term training, such as a two-year Associate's degree, a nursing certification, or completion of a four-year degree (if that four-year degree was previously initiated or if the worker will complete it using non-TAA funds).

Typically, workers cannot participate in a training program without TAA income support. Thus, because many workers exhaust at least some of their basic TRA while they seek another job instead of beginning training, they are limited to shorter-term training options, both practically and because training approvals are usually tied to the period of TRA eligibility. The purpose of the additional 26 weeks of income support, for a total of 78 weeks of additional TRA, is to provide an opportunity for workers to engage in long term training that might not have otherwise been a viable option.

The proponents note that the Department of Labor's practice is to approve, before training begins, a training program consisting of a course or related group of courses designed for an individual to meet a specific occupational goal. 20 CFR 617.22(f)(3)(i). Nothing in this section is intended to change current Department of Labor practice. The additional 26 weeks of income support are intended to provide more options for long term training at the time when this individual training program is designed and approved.

In short, the new, additional income support is available only for workers in long term training.

The proponents note that, at the same time, it is not their intent to limit the Secretary's ability, in certain, limited circumstances, to modify a worker's training program where the Secretary determines that the current training program is no longer appropriate for the individual.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Special Rules for Calculation of Eligibility Period (Section 1724 (amending Section 233 of the Trade Act of 1974))*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

The provision states that periods during which an administrative or judicial appeal of a negative determination is pending will not be counted when calculating a worker's eligibility for TRA. Moreover, the provision also grants justifiable cause authority to the Secretary to extend certain applicable deadlines concerning receipt of Basic and Additional TRA. Further, the provision allows workers called up for active duty military or full-time National Guard service to restart the TAA enrollment process after completion of such service.

The provision also strikes the 210 day rule, which mandates that a worker is not eligible for additional TRA payments if the worker has not applied for training 210 days from certification or job loss, whichever is later.

#### REASONS FOR CHANGE

The proponents believe that tolling of deadlines is necessary; otherwise judicial relief obtained from a successful court challenge would be meaningless, as the decision of the court will inevitably take place after the TAA program eligibility deadlines have passed. The Department of Labor provides for similar tolling in its present and proposed regulations.

Similarly, the proponents believe that affording the Secretary flexibility in instances where a worker is ineligible through no fault of her own is consistent with the spirit of the program and will help ensure that workers get the retraining they need. The amendment permits the Secretary to extend the periods during which trade readjustment allowances may be paid to an individual if there is justifiable cause. The provision does not increase the amount of such allowances that are payable. The proponents intend that the justifiable cause extension should allow the Secretary equitable authority to address unforeseen circumstances, such as a health emergency.

The 210 day deadline is superseded by the 8/16 deadline in current law, the new 26/26 enrollment deadlines under these amendments, and the requirement that a worker be in training to receive additional TRA.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Application of State Laws and Regulations on Good Cause for Waiver of Time Limits or Late Filing of Claims (Section 1725 (amending Section 234 of the Trade Act of 1974))*

#### PRESENT LAW

A State's unemployment insurance laws apply to a worker's claims for TRA.

#### EXPLANATION OF PROVISION

The provision makes a State's "good cause" law, regulations, policies, and practices applicable when the State is making determinations concerning a worker's claim for TRA or other adjustment assistance.

#### REASONS FOR CHANGE

Most States have "good cause" laws allowing the waiver of a statutory deadline when the deadline was missed because of agency error or for other reasons where the claimant was not at fault. These good cause laws apply to administration of State UI laws. The Department of Labor, by regulation, has precluded application of State good cause laws to TAA. This prohibition unjustifiably penalizes workers who miss a deadline through no fault of their own.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Employment and Case Management Services; Administrative Expenses and Employment and Case Management Services (Sections 1726 and 1727 (amending Section 235 of the Trade Act of 1974))*

#### PRESENT LAW

Present law requires the Secretary of Labor to make "every reasonable effort" to secure services for affected workers covered by a certification including "counseling, testing, and placement services" and "[s]upportive and other services provided for under any other Federal law," including WIA one-stop services. Typically, the Secretary provides these services through agreements with the States.

## EXPLANATION OF PROVISION

The provisions require the Secretary and the States to, among other things (1) perform comprehensive and specialized assessments of enrollees' skill levels and needs; (2) develop individual employment plans for each impacted worker; and (3) provide enrollees with (a) information on available training and how to apply for such training, (b) information on how to apply for financial aid, (c) information on how to apply for such training, (d) short-term prevocational services, (e) individual career counseling, (f) employment statistics information, and (g) information on the availability of supportive services.

The provision requires the Secretary, either directly or through the States (through cooperating agreements), to make the employment and case management services described in section 235 available to TAA eligible workers. TAA eligible workers are not required to accept or participate in such services, however, if they choose not to do so.

These provisions provide for each State to receive funds equal to 15 percent of its training funding allocation on top of its training fund allocation. Not more than two-thirds of these additional funds may be used to cover administrative expenses, and not less than one-third of such funds may be used for the purpose of providing employment and case management services, as defined under section 235. Finally, the section provides for an additional \$350,000 to be provided to each State annually for the purpose of providing employment and case management services. With respect to these latter funds, States may decline or otherwise return such funds to the Secretary.

## REASONS FOR CHANGE

States incur costs to administer the TAA program, including for processing applications and providing employment and case management services. While appropriators customarily provide the Department of Labor with administrative funds equal to 15 percent of the total training funds for disbursement to the States, the proponents believe that this practice should be codified, with the changes discussed above.

The proponents believe that the employment services and case management funding provided for in this section should be in addition to, and not offset, any funds that the State would otherwise receive under WIA or any other program.

## EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Training Funding (Section 1728 (amending Section 236 of the Trade Act of 1974))*

## PRESENT LAW

The total amount of annual training funding provided for under present law is \$220,000,000. During the year, if the Secretary determines that there is inadequate funding to meet the demand for training, the Secretary has the authority to decide how to apportion the remaining funds to the States.

Based on internal department policy, at the beginning of each fiscal year, the Department of Labor allocates 75 percent of the training funds to States based on each State's training expenditures and the average number of training participants over the previous 2½ years. The previous year's allocation serves as a floor. The Department of Labor also has a "hold harmless" policy that ensures that each State's initial allocation can be no less than 85 percent of its initial allocation in the previous year. The Department of Labor holds the remaining 25 percent in reserve to distribute to States

throughout the year according to need; most of the remaining funds are disbursed at the end of the fiscal year. States have 3 years to spend their federal funds. If the funds are not spent, the money reverts back to the General Treasury.

Under present law, the Secretary shall approve training if (1) there is no suitable employment; (2) the worker would benefit from appropriate training; (3) there is a reasonable expectation of employment following training (although not necessarily immediately available employment); (4) the approved training is reasonably available to the worker; (5) the worker is qualified for the training; and (6) training is suitable and available at a reasonable cost. "Insofar as possible," the Secretary is supposed to ensure the provision of training on the job. Training will be paid for directly by the Secretary or using vouchers.

One of the statutory criteria for approval of training is that the worker be qualified to undertake and complete such training. The statute doesn't specifically address how the income support available to a worker is to be considered in determining the length of training the worker is qualified to undertake. Another of the statutory training approval criteria is that the training is available at a reasonable cost. The statute doesn't specifically address if funds other than those available under TAA may be considered in making this determination.

## EXPLANATION OF PROVISION

The provision strikes the obsolete requirement that the Secretary of Labor shall "assure the provision" of training on the job.

This provision increases the training cap from \$220,000,000 to \$575,000,000 in FY2009 and FY2010, prorated for the period beginning October 1, 2010 and ending December 31, 2010.

The provision requires the Secretary to make an initial distribution of training funds to the States as soon as practicable after the beginning of the fiscal year based on the following criteria: (1) the trend in numbers of certified workers; (2) the trend in numbers of workers participating in training; (3) the number of workers enrolled in training; (4) the estimated amount of funding needed to provide approved training; and (5) other factors the Secretary determines are appropriate. The provision specifies that initial distribution of training funds to a State may not be less than 25 percent of the initial distribution to that State in the previous fiscal year.

The provision requires the Secretary to establish procedures for the distribution of the funds held in reserve, which may include the distribution of such funds in response to requests made by States in need of additional training funds. The provision also requires the Secretary to distribute 65 percent of the training funds in the initial distribution, and to distribute at least 90 percent of training funds for a particular fiscal year by July 15 of that fiscal year.

The provision directs the Secretary to decide how to distribute funds if training costs will exceed available funds.

The provision would specify that in determining if a worker is qualified to undertake and complete training, the training may be approved for a period that is longer than the period for which TRA is available if the worker demonstrates the financial ability to complete the training after TRA is exhausted. It is intended that financial ability means the ability to pay living expenses while in TAA-funded training after the period of TRA eligibility.

The provision would specify that in determining whether the costs of training are reasonable, the Secretary may consider whether other public or private funds are available to

the worker, but may not require the worker to obtain such funds as a condition for approval of training. This means, for example, that if a training program would be determined not to have a reasonable cost if only the use of TAA training funds were considered, the Secretary may consider the availability of other public and private funds to the worker. If the worker voluntarily commits to using such funds to supplement the TAA training funds to pay for the training program, the training program may be approved. However, the Secretary may not require the worker to use the other public or private funds where the costs of the training program would be reasonable using only TAA training funds.

Finally, the provision requires the Secretary to issue regulations in consultation with the Senate Finance Committee and the House Committee on Ways and Means.

## REASONS FOR CHANGE

The proponents believe that the training cap needs to be increased for two reasons. First, more funding is needed to cover the expanded group of TAA eligible workers because of changes made elsewhere in the bill (e.g., coverage of service workers, expanded coverage of manufacturing workers). Second, during high periods of TAA usage, the existing training funding has proved to be insufficient. Some states have run out of training funds, resulting in some States freezing enrollment of eligible workers in training. See GAO-04-1012.

As the GAO has documented, there are significant problems with the Department's method of allocating training funds. The primary problem is that the Department of Labor's method of allocation appears to result in insufficient funds for some States. This appears to be occurring because of the Department's reliance on historical usage and a "hold harmless" policy. In particular, States that were experiencing heavy layoffs at the time the initial allocation formula was implemented may no longer be experiencing layoffs at the same rate, but still receive significant allocations from the Department. In contrast, a State experiencing relatively few layoffs several years ago may now have far greater numbers of layoffs, but still receives a limited amount in its distribution. In short, the allocation that States receive at the beginning of the fiscal year may not reflect their present demand for training services. The provision addresses these problems by lowering the "hold harmless" provision to 25 percent, requiring initial and subsequent distributions to be based on need, and by requiring that 90 percent of the funds be allocated by July 15 of each fiscal year. Additionally, the proponents expect the Secretary to distribute the remaining funds as soon as possible after that date.

In order to facilitate the approval of longer-term training, the proponents intend to ensure that the period of approved training is not necessarily limited to the duration of TRA. Where the worker demonstrates the ability to pay living expenses while in TAA funded training after TRA is exhausted, such training should be approved if the other training approval criteria are also met.

The proponents intend to ensure that training programs that would otherwise not be approved under TAA due to costs may be approved if a worker voluntarily commits to using supplemental public or private funds to pay a portion of the costs.

It is also the intent that, together, these amendments to the training approval criteria allow training to be approved for a period that is longer than the period for which TRA and TAA-funded training is available if the worker demonstrates the financial ability to pay living expenses and pay for the additional training costs using other funds

after TRA and the TAA-funded training are exhausted.

#### EFFECTIVE DATE

The provision increasing the training cap goes into effect upon the date of enactment of this Act. The provisions relating to training fund distribution procedures go into effect October 1, 2009. The other provisions in this section go into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and apply to petitions filed on or after that date.

*Prerequisite Education, Approved Training Programs (Section 1729 (amending Section 236 of the Trade Act of 1974))*

#### PRESENT LAW

Under present law, approvable training includes employer-based training (on-the-job training/customized training), training approved under the Workforce Investment Act of 1998, training approved by a private industry council, any remedial education program, any training program whose costs are paid by another federal or State program, and any other program approved by the Secretary. Additionally, remedial training is approvable and participation in such training makes a worker eligible for up to 26 more weeks of TAA-related income support.

#### EXPLANATION OF PROVISION

The provision clarifies that existing law allows training funds to be used to pay for apprenticeship programs, any prerequisite education required to enroll in training, and training at an accredited institution of higher education (such as those covered by 102 of the Higher Education Act), including training to obtain or complete a degree or certification program (where completion of the degree or certification can be reasonably expected to result in employment). The provision also prohibits the Secretary from limiting training approval to programs provided pursuant to the Workforce Investment Act of 1998.

The provision offers up to an additional 26 weeks of income support while workers take prerequisite training or remedial training necessary to enter a training program. A worker may enroll in remedial training or prerequisite training, or both, but may not receive more than 26 weeks of additional income support.

#### REASONS FOR CHANGE

Present law does not explicitly state whether TAA training funds may be used to obtain a college or advanced degree. Some States have interpreted this silence to preclude enrollment in a two-year community college or four-year college or university as a training option, even where a TAA participant was working towards completion of a degree prior to being laid off. The proponents believe that States should be encouraged to approve the use of training funds by TAA enrollees to obtain training or a college or advanced degree, including degrees offered at two-year community colleges and four-year colleges or universities.

While a worker can obtain additional income support while participating in remedial training, there is no corollary support for workers participating in prerequisite training (e.g., individuals enrolling in nursing usually need basic science prerequisites, which are not considered qualifying remedial training). States have requested additional income support for workers who participate in prerequisite training.

The proponents believe that while WIA-approved training is an approvable TAA training option, it should not be the only one that TAA enrollees are authorized to pursue. The proponents are concerned that some States have restricted training opportunities to

those approved under WIA. According to the Congressional Research Service, many community colleges, for instance, do not get WIA certification because of its costly reporting requirements. To limit TAA training opportunities in this way unacceptably curbs the scope of training that TAA enrollees might elect to participate in and potentially impairs their ability to get retrained and re-employed.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Pre-Layoff and Part-Time Training (Section 1730 (amending Section 236 of the Trade Act of 1974))*

#### PRESENT LAW

Present law does not permit pre-layoff or part-time training.

#### EXPLANATION OF PROVISION

This provision specifies that the Secretary may approve training for a worker who (1) is a member of a group of workers that has been certified as eligible to apply for TAA benefits; (2) has not been totally or partially separated from employment; and (3) is determined to be individually threatened with total or partial separation. Such training may not include on-the-job training, or customized training unless such customized training is for a position other than the workers' current position.

Additionally, the provision permits the Secretary to approve part-time training, but clarifies that a worker enrolled in part-time training is not eligible for a TRA.

#### REASONS FOR CHANGE

This provision explicitly establishes Congress' intent that workers be eligible to receive pre-layoff and part-time training.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*On-the-Job Training (Section 1731 (amending Section 236 of the Trade Act of 1974))*

#### PRESENT LAW

Current law provides that the Secretary may approve on-the-job training ("OJT"), but does not govern the content of acceptable OJT.

#### EXPLANATION OF PROVISION

This provision permits the Secretary to approve OJT for any adversely affected worker if the worker meets the training requirements, and the Secretary determines the OJT (1) can reasonably lead to employment with the OJT employer; (2) is compatible with the worker's skills; (3) will allow the worker to become proficient in the job for which the worker is being trained; and (4) the State determines the OJT meets necessary requirements. The Secretary may not enter into contracts with OJT employers that exhibit a pattern of failing to provide workers with continued long-term employment and adequate wages, benefits, and working conditions as regular employees.

#### REASONS FOR CHANGE

The provision incorporates requirements to ensure OJT is effective. Specifically, OJT must be (1) reasonably expected to lead to suitable employment; (2) compatible with the workers' skills; and (2) include a State-approved benchmark-based curriculum. Moreover, the provision is intended to prevent employers from treating workers participating in OJT differently in terms of wages, benefits, and working conditions from regular employees who have worked a similar

period of time and are doing the same type of work.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Eligibility for Unemployment Insurance and Program Benefits While in Training (Section 1732 (amending Section 236 of the Trade Act of 1974))*

#### PRESENT LAW

Current law states that a worker may not be deemed ineligible for UI (and thus, TAA) if they are in training or leave unsuitable work to enter training.

#### EXPLANATION OF PROVISION

The provision states that a worker will not be ineligible for UI or TAA if the worker (1) is in training, even if the worker does not meet the requirements of availability for work, active work search, or refusal to accept work under Federal and State UI law; (2) leaves work to participate in training, including temporary work during a break in training; or (3) leaves OJT that did not meet the requirements of this Act within 30 days of commencing such training.

#### REASONS FOR CHANGE

The proponents are concerned that confusion in present UI law surrounding a worker's decision to quit work to enter training and the ramifications of that decision from a UI eligibility perspective may preclude a worker from being able to participate in TAA training. The provision is meant to eliminate that confusion.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Job Search and Relocation Allowances (Section 1733 (amending Section 237 of the Trade Act of 1974))*

#### PRESENT LAW

The Secretary may grant an application for a job search allowance where (1) the allowance will help the totally separated worker find a job in the United States; (2) suitable employment is not available in the local area; and (3) the application is filed by the later of (a) 1 year from separation, (b) 1 year from certification, or (c) 6 months after completing training (unless the worker received a waiver, in which case the worker must file by the later of one year after separation or certification). A worker may be reimbursed for 90 percent of his job search costs, up to \$1,250.

The Secretary may grant an application for a relocation allowance where: (1) the allowance will assist a totally separated worker relocate within the United States; (2) suitable employment is not available in the local area; (3) the affected worker has no job at the time of relocation; (4) the worker has found suitable employment that may reasonably be expected to be of long-term duration; (5) the worker has a bona fide offer of employment; and (6) the worker filed the application the later of (a) 425 days from separation, (b) 425 days from certification, or (c) 6 months after completing training (unless the worker received a waiver, in which case the worker must file by the later of 425 days after separation or certification). A worker may be reimbursed for 90 percent of his relocation costs plus a lump sum payment of three times the worker's weekly wage up to \$1,250.

#### EXPLANATION OF PROVISION

The provision reimburses 100 percent of a worker's job search expenses, up to \$1,500,



and 100 percent of a worker's relocation expenses, and increases the additional lump sum payment for relocation to a maximum of \$1,500. It also strikes the provision in existing law under which a worker who has completed training but who received a prior training waiver has a shorter period to apply for a job search allowance and relocation allowance than other workers who have completed training.

#### REASONS FOR CHANGE

The proponents believe that the job search and relocation allowances need to be increased to reflect the cost of inflation and the cost and difficulty a worker faces when looking for work and taking a job outside the worker's local community.

The proponents believe that workers completing training should have the same periods after training to apply for job search and relocation allowances irrespective of whether a worker received a waiver from the enrollment in training requirements prior to undertaking and completing the training. This period allows workers a reasonable opportunity to obtain the same assistance as other workers needed to find and relocate to a new job after being trained.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

#### 4. Subpart D—Reemployment Trade Adjustment Assistance Program

*Reemployment Trade Adjustment Assistance Program (Section 1741 (amending Section 246 of the Trade Act of 1974))*

#### PRESENT LAW

The Trade Act of 2002 created a demonstration project for alternative trade adjustment assistance for older workers (ATAA or "wage insurance"). Through this program, some workers who are eligible for TAA and reemployed at lower wages may receive a partial wage subsidy. Under the program, States use Federal funds provided under the Trade Act to pay eligible workers up to 50 percent of the difference between reemployment wages and wages at the time of separation. Eligible workers may not earn more than \$50,000 in reemployment wages, and total payments to a worker may not exceed \$10,000 during a maximum period of two years.

In addition to having been certified for TAA, such workers must be at least 50 years of age, obtain full-time reemployment with a new firm within 26 weeks of separation from employment, and have been separated from a firm that is specifically certified for ATAA. When considering certification of a firm for ATAA, the Secretary of Labor considers whether a significant number of workers in the firm are 50 years of age or older and possess skills that are not easily transferable. ATAA beneficiaries may not receive TAA benefits other than the Health Coverage Tax Credit (HCTC).

#### EXPLANATION OF PROVISION

The provision renames ATAA "reemployment TAA." The provision eliminates the requirement that a group of workers (in addition to individuals) be specifically certified for wage insurance in addition to TAA certification. The provision eliminates the current-law requirement that a worker must find employment within 26 weeks of being laid off to be eligible for the wage insurance benefit, and replaces it with a requirement that the clock on the two-year duration of the benefit begin at the sooner of exhaustion of regular unemployment benefits or reemployment, allowing initial receipt of the wage insurance benefit at any point during that two-year period.

The provision allows workers to shift from receiving a TRA, while training, to receiving reemployment TAA, while employed, at any point during the two-year period.

The provision increases the limit on wages in eligible reemployment from \$50,000 a year to \$55,000 a year. Similarly, it increases the maximum wage insurance benefit (over two years) from up to \$10,000 to up to \$12,000.

The provision lifts the restriction on wage insurance recipients' participation in TAA-funded training. It also permits workers reemployed less than full-time, but at least 20 hours a week, and in approved training, to receive the wage insurance benefit (which would be prorated if the worker is reemployed for fewer hours compared to previous employment).

#### REASONS FOR CHANGE

The proponents believe that the reemployment TAA, or wage insurance, program is a potentially beneficial option for many older workers, but it includes unnecessary barriers to participation. The proponents believe that changes to section 246 of the Trade Act will make the wage insurance program a more viable option for many more potentially interested workers. Inflation has lessened the maximum value of the available benefit, and increasing personal, nominal, median income has lowered the share of workers eligible to participate in the program. Several other requirements make the program inaccessible and unattractive.

Findings from the Government Accountability Office (GAO) highlight the need to reform specific aspects of the program. First, the 26-week reemployment deadline was cited by the GAO as one of "two key factors [that] limit participation." The GAO went on to note that "[o]fficials in States [the GAO] visited said that one of the greatest obstacles to participation was the requirement for workers to find a new job within 26 weeks after being laid off. For example, according to officials in one State, 80 percent of participants who were seeking wage insurance but were unable to obtain it failed because they could not find a job within the 26-week period. The challenges of finding a job within this timeframe may be compounded by the fact that workers may actually have less than 26 weeks to secure a job if they are laid off prior to becoming certified for TAA. For example, a local caseworker in one State [the GAO] visited said that the 26 weeks had passed completely before a worker was certified for the benefit."

Additionally, the GAO found that automatically certifying workers for the wage insurance benefit would cut the Department of Labor's workload and promote program participation.

Currently, workers opting for wage insurance must also surrender eligibility for TAA-funded training and be reemployed full-time. The provision eliminates these restrictions.

The proponents believe that eliminating the 26-week deadline for reemployment, eliminating the need for firms to be certified for wage insurance, eliminating the prohibition on wage insurance beneficiaries receiving TAA-funded training, and allowing part-time workers and former TRA recipients access to the wage insurance benefit should make the wage insurance program more accessible and attractive.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

#### 5. Subpart E—Other Matters

*Office of Trade Adjustment Assistance (Section 1751 (amending Subchapter C of chapter 2 of title II of the Trade Act of 1974))*

#### PRESENT LAW

The TAA for Workers program is currently operated by the Employment and Training Administration at the Department of Labor.

#### EXPLANATION OF PROVISION

The provision creates an Office of Trade Adjustment Assistance headed by an administrator who shall report directly to a Senate-confirmed Deputy Assistant Secretary for Employment and Training Administration. The Deputy Assistant Secretary shall report directly to the Assistant Secretary for Employment and Training Administration.

Under the provision, the administrator will be responsible for overseeing and implementing the TAA for Workers program and carrying out functions delegated to the Secretary of Labor, including: making group certification determinations; providing TAA information and assisting workers and others assisting such workers prepare petitions or applications for program benefits (including health care benefits); ensuring covered workers receive Section 235 employment and case management services; ensuring States comply with the terms of their Section 239 agreements; advocating for workers applying for assistance; and operating a hotline that workers and employers may call with questions about TAA benefits, eligibility requirements, and application procedures.

The provision requires the administrator to designate an employee of the Department with appropriate experience and expertise to receive complaints and requests for assistance, resolve such complaints and requests, compile basic information concerning the same, and carry out other tasks that the Secretary specifies.

The Deputy Assistant Secretary will oversee the operation of the Office of Trade Adjustment Assistance and carry out other duties that the Secretary assigns.

#### REASONS FOR CHANGE

It is the view of the proponents that creating an Office of Trade Adjustment Assistance in the Department of Labor with primary accountability for the management and performance of the TAA for Workers program will improve the program's operation. By requiring that the individual running that office report to a Deputy Assistant Secretary confirmed by the Senate, accountability and oversight of the program as a whole will be enhanced.

The creation of the Office of Trade Adjustment Assistance should not interfere with the coordination of services provided by TAA, the National Emergency Grant program, and Department of Labor Rapid Response services.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act.

*Accountability of State Agencies; Collection and Publication of Program Data; Agreements with States (Section 1752 (amending Section 239 of the Trade Act of 1974))*

#### PRESENT LAW

Present law gives the Secretary of Labor the authority to delegate to the States through agreements many aspects of TAA implementation, including responsibilities to (1) receive applications for TAA and provide payments; (2) make arrangements to provide certain employment services through other Federal programs; and (3) issue waivers. It also mandates that any agreement entered into shall include sections requiring that the provision of TAA

services and training be coordinated with the provision of Workforce Investment Act (WIA) services and training. In carrying out its responsibilities, each State must notify workers who apply for UI about TAA, facilitate early filing for TAA benefits, advise workers to apply for training when they apply for TRA, and interview affected workers as soon as possible for purposes of getting them into training. States must also submit to the Department of Labor information like that provided under a WIA State plan.

#### EXPLANATION OF PROVISION

The provision requires the Secretary, either directly or through the States (through cooperating agreements), to make the employment and case management services described in the amended section 235 available to TAA eligible workers. TAA eligible workers are not required to accept or participate in such services, however, if they choose not to do so.

The provision requires States and cooperating State agencies to implement effective control measures and to effectively oversee the operation and administration of the TAA program, including by monitoring the operation of control measures to improve the accuracy and timeliness of reported data.

The provision also requires States and cooperating State agencies to report comprehensive performance accountability data to the Secretary, on a quarterly basis.

#### REASONS FOR CHANGE

To ensure that the employment and case management services described in the amended section 235 are made available to TAA enrollees as required under that section, the proponents believe that it is necessary to incorporate those obligations into the agreements that the Department of Labor enters into with each of the States concerning the administration of TAA.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Verification of Eligibility for Program Benefits (Section 1753 (amending Section 239 of the Trade Act of 1974))*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

Section 1753 requires a State to re-verify the immigration status of a worker receiving TAA benefits using the Systematic Alien Verification for Entitlements (SAVE) Program (42 U.S.C. 1320b-7(d)) if the documentation provided during the worker's initial verification for the purposes of establishing the worker's eligibility for unemployment compensation would expire during the period in which that worker is potentially eligible to receive TAA benefits.

The section also requires the Secretary to establish procedures to ensure that the re-verification process is implemented properly and uniformly from State to State.

#### REASONS FOR CHANGE

This provision is intended to ensure that workers maintain a satisfactory immigration status while receiving benefits. This section was included for the purposes of the TAA program only and should not be extended to other programs.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Collection of Data and Reports; Information to Workers (Section 1754 (amending Subchapter C of chapter 2 of title II of the Trade Act of 1974))*

#### PRESENT LAW

Present law does not contain statutory language requiring the collection of data or performance goals and the TAA program has suffered a history of problems with its performance data that has undermined the data's credibility and limited their usefulness. Most of the outcome data reported in a given program year actually reflects participants who left the program up to 5 calendar quarters earlier. In addition, as of FY 2006, the Department of Labor does not consistently report TAA data by State or industry or by services or benefits received.

While the Department of Labor has taken some steps aimed at improving performance data, the data remain suspect and fail to capture outcomes for some of the program's participants, and many participants are not included in the final outcomes at all.

#### EXPLANATION OF PROVISION

The provision would require the Secretary of Labor to implement a system for collecting data on all workers who apply for or receive TAA. The system must include the following data classified by State, industry, and nationwide totals: number of petitions; number of workers covered; average processing time for petitions; a breakdown of certified petitions by the cause of job loss (increased imports etc.); the number of workers receiving benefits under any aspect of TAA (broken down by type of benefit); the average time during which workers receive each type of benefit; the number of workers enrolled in training, classified by type of training; the average duration of training; the number and type of training waiver granted; the number of workers who complete and do not complete training; data on outcomes, including the sectors in which workers are employed after receiving benefits; and data on rapid response activities.

The provision would also require, by December 15 of each year, the Secretary to provide to the Senate Finance Committee and the House Committee on Ways and Means a report that includes a summary of the information above, information on distributions of training funds under section 236(a)(2), and any recommendations on whether changes to eligibility requirements, benefits, or training funding should be made based on the data collected. Those data must be made available to the public on the Department of Labor's website in a searchable format and must be updated quarterly.

#### REASONS FOR CHANGE

The proponents believe that valuable information on TAA and its impact is neither being collected nor being made publicly available. This, in turn, inhibits the ability of Congress to perform its oversight responsibilities and, if necessary, to refine and improve the program, its performance, and worker outcomes. Additionally, the proponents believe that all of the data that the Department of Labor gathers should be made available and posted on its website in a searchable format. This will enhance the accountability of the TAA program and the Department of Labor, not just to Congress, but to the American people as well.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Fraud and recovery of overpayments (Section 1755 (amending Section 243(a)(1) of the Trade Act of 1974))*

#### PRESENT LAW

An overpayment of TAA benefits may be waived if, in accordance with the Secretary's guidelines, the payment was made without fault on the part of such individual, and requiring such repayment would be contrary to "equity and good conscience."

#### EXPLANATION OF PROVISION

The provision states that the Secretary shall waive repayment if the overpayment was made without fault on the part of such individual and if repayment "would cause a financial hardship for the individual (or the individual's household, if applicable) when taking into consideration the income and resources reasonably available to the individual or household and other ordinary living expenses of the individual or household."

#### REASONS FOR CHANGE

The proponents believe that the Department of Labor has adopted a very strict standard for issuing overpayment waivers. In particular, 20 CFR 617.55(a)(2)(ii)(C) defines equity and good conscience to require "extraordinary and lasting financial hardship" that would "result directly" in the "loss of or inability to obtain minimal necessities of food, medicine, and shelter for a substantial period of time" and "may be expected to endure for the foreseeable future."

The proponents understand that no worker has met this strict waiver standard. In including standard statutory waiver language in TAA, there is no indication that Congress intended to make waivers impossible to secure. To the contrary, the proponents believe that Congress intended that overpaid individuals who are without fault and unable to repay their TAA overpayments should have a reasonable opportunity for waivers of the requirement to return those overpayments. The provision clarifies this intent.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Sense of Congress on Application of Trade Adjustment Assistance (Section 1756 (amending Section Chapter 5 of title II of the Trade Act of 1974))*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

The provision expresses the Sense of Congress that the Secretaries of Labor, Commerce, and Agriculture should apply the provisions of their respective trade adjustment assistance programs with the utmost regard for the interests of workers, firms, communities, and farmers petitioning for benefits.

#### REASONS FOR CHANGE

Courts reviewing determinations by the Department of Labor regarding certification for trade adjustment assistance have stated that the Department is obliged to conduct its investigations with "utmost regard for the interests of the petitioning workers." See, e.g., *Former Employees of Komatsu Dresser v. United States Secretary of Labor*, 16 C.I.T. 300, 303 (1992) (citations omitted). The courts have explained that such statements flow from the ex parte nature of the Department's certification process (as opposed to a judicial or quasi-judicial proceeding) and the remedial purpose of the trade adjustment assistance program. This section reflects such statements and extends them to the firms, farmers, and communities programs.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the

date of enactment of this Act, and applies to petitions filed on or after that date.

*Consultations in Promulgation of Regulations (Section 1757 (amending Section 248 of the Trade Act of 1974))*

#### PRESENT LAW

The Secretary is required to prescribe necessary regulations.

#### EXPLANATION OF PROVISION

This provision requires the Secretary to consult with the Senate Finance Committee and the House Committee on Ways and Means 90 days prior to the issuance of a final rule or regulation.

#### REASONS FOR CHANGE

Requiring that the Secretary consult with the relevant committees 90 days prior to the issuance of a final rule or regulations will help ensure that such rules and regulations reflect Congress' intent.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

#### B. PART II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

*Trade Adjustment Assistance for Firms (Section 1761–1767 (amending Sections 251, 254, 255, 256, 257, and 258 of the Trade Act of 1974))*

#### PRESENT LAW

A firm may file a petition for certification with the Secretary of Commerce. Upon receipt of the petition, the Secretary shall publish a notice in the Federal Register that the petition has been received and is being investigated. The petitioner, or anyone else with a substantial interest, may request a public hearing concerning the petition.

To be certified to receive TAA benefits, a firm must show (1) a “significant” number of workers became or are threatened to become totally or partially separated; (2) sales or production of an article, or both, decreased absolutely, or sales or production, or both, of an article that accounted for not less than 25 percent of the total production or sales of the firm during the 12-month period preceding the most recent 12-month period for which data are available have decreased absolutely; and (3) increased imports of competing articles “contributed importantly” to the decline in sales, production, and/or workforce.

A firm certified under section 251 has two years in which to file an adjustment assistance application, which must include an economic adjustment proposal.

In deciding whether to approve an application, the Secretary of Commerce must determine that the proposal (1) is reasonably calculated “to materially contribute” to the economic adjustment of the firm; (2) gives adequate consideration to the interests of the firm's workers; and (3) demonstrates that the firm will use its own resources for adjustment.

Criminal and civil penalties are applicable for, among other things, making false statements or failing to disclose material facts. However, the penalties do not cover the acts and omissions of customers or others responding to queries made in the course of an investigation of a firm's petition.

The Secretary must make its decisions within 60 days.

#### EXPLANATION OF PROVISION

The provision makes service sector firms potentially eligible for benefits under the TAA for Firms program. It also expands the look back so that all firms can use the average of one, two, or three years of sales or production data, as opposed to one year, to show that the firm's sales, production, or

both, have decreased absolutely or that the firm's sales, production, or both of an article or service that accounts for at least 25 percent of its total production, or sales have decreased absolutely.

In determining eligibility, the provision makes clear that the Secretary may use data from the preceding 36 months to determine an increase in imports, and may determine that increased imports exist if customers accounting for a significant percentage of the decline in a firm's sales or production certify that their purchases of imported articles or services have increased absolutely or relative to the acquisition of such articles or services from suppliers in the United States.

The provision requires the Secretary of Commerce, upon receiving information from the Secretary of Labor that the workers of a firm are TAA-covered, to notify the firm of its potential TAA eligibility.

The provision requires the Secretary of Commerce to provide grants to intermediary organizations to deliver TAA benefits. The provision requires the Secretary to endeavor to align the contracting schedules for all such grants by 2010, and to provide annual grants to the intermediary organizations thereafter. The provision requires the Secretary to develop a methodology to ensure prompt initial distribution of a portion of the funds to each of the intermediary organizations, and to determine how the remaining funds will be allocated and distributed to them. The Secretary must develop the methodology in consultation with the Senate Finance Committee and the House Committee on Ways and Means.

The provision amends the penalties provision in section 259 to cover entities, including customers, providing information during an investigation of a firm's petition.

Additionally, the provision requires the Secretary of Commerce to submit an annual report demonstrating the operation, effectiveness, and outcomes of the TAA for Firms program to the Senate Finance Committee and the House Committee on Ways and Means, and to make the report available to the public. The methodology for the distribution of funds to the intermediary organizations shall include criteria based on the data in the report. The provision creates rules relating to the disclosure of confidential business information included in this annual report.

#### REASONS FOR CHANGE

Most service sector firms are currently ineligible for the TAA for Firms program because of a statutory requirement that the workers must have been employed by a firm that produces an “article.” In an era when 80 percent of U.S. workers are employed in the service sector, the proponents believe service sector firms should be eligible for TAA.

The proponents also note that firms currently have a limited “look back” under existing law, which unfairly restricts their ability to show that increased imports are hurting their businesses.

Because data is not always readily available to demonstrate an increase in imports of articles or services, or to show how such increased imports compete with the articles or services of a particular firm, the proponents believe that the Secretary should be able to utilize information from the customers of a firm that account for a significant percentage of sales or production that would verify these customers are increasing their purchases of imports relative to their purchases from domestic suppliers.

Since a firm may not know that it could be eligible for TAA benefits, despite the fact that workers at the firm have qualified for the TAA for workers program, the proponents believe it is important to give these

firms notice of their potential eligibility for TAA benefits.

The proponents are concerned that at present, the Economic Development Administration (EDA) is entering into contracts with intermediary organizations that vary in length.

Thus, the contracts begin and end at different times during the year. To improve transparency, accountability and oversight, the proponents have included a provision requiring EDA to endeavor to align these contracts by October 2010 and enter into 12 month contracts thereafter. The proponents will leave it to the discretion of the Secretary to determine the appropriate 12 month contract cycle.

The proponents also believe that the methodology for distributing funds to intermediary organizations should be based in part on their performance, the number of firms they serve, and the outcomes of firms completing the program. The Secretary of Commerce should consult Congress before finalizing such methodology.

The proponents understand that some customers provide inaccurate or incomplete information in response to questionnaires posed by the Secretary. The penalty language included in this provision is designed to address this problem.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

*Extension of Authorization of Trade Adjustment Assistance for Firms (Section 1764)*

#### PRESENT LAW

The authorization of the TAA for Firms program expired on December 31, 2007. The program is currently authorized at \$16 million per year.

#### EXPLANATION OF PROVISION

The provision reauthorizes the program through December 31, 2010, and increases its funding to \$50 million per year for fiscal years 2009 and 2010, and prorates such funding for the period beginning October 1, 2010 and ending December 31, 2010. Of that amount, \$350,000 is set aside each year to fund full-time TAA for Firms positions at the Department of Commerce, including a director of the TAA for Firms program.

#### REASONS FOR CHANGE

The proponents believe that the TAA for Firms program has been underfunded, as at least \$15 million in approved projects lack funding. Additionally, the Firms team at the Department of Commerce lacks adequate full-time staff to administer the program.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

#### C. PART III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

*Trade Adjustment Assistance for Communities (Section 1771–1773)*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

The provision creates a Trade Adjustment Assistance for Communities program that will allow a community to apply for designation as a community affected by trade. A community may receive such designation from the Secretary of Commerce if the community demonstrates that (1) the Secretary of Labor has certified a group of workers in the community as eligible for TAA for Workers benefits, the Secretary of Commerce has

certified a firm in the community as eligible for TAA for Firms benefits, or a group of agricultural producers in the community has been certified to receive benefits under the TAA for Farmers and Fishermen program; and (2) the Secretary determines that the community is significantly affected by the threat to, or the loss of, jobs associated with that certification. The Secretary of Commerce must notify the community and the Governor of the State in which the community is located upon making an affirmative determination that the community is affected by trade.

The Secretary of Commerce shall provide technical assistance to a community affected by trade to assist the community to (1) diversify and strengthen its economy; (2) identify impediments to economic development that result from the impact of trade; and (3) develop a community strategic plan to address economic adjustment and workforce dislocation in the community. The Secretary of Commerce shall also identify Federal, State and local resources available to assist the community, and ensure that Federal assistance is delivered in a targeted, integrated manner. The Secretary shall establish an Interagency Community Assistance Working Group to assist in coordinating the Federal response.

A community affected by trade may develop a strategic plan for the community's economic adjustment and submit the plan to the Secretary. The plan should be developed, to the extent possible, with participation from local, county, and State governments, local firms, local workforce investment boards, labor organizations, and educational institutions. The plan should include an analysis of the economic development challenges facing the community and the community's capacity to achieve economic adjustment to these challenges; an assessment of the community's long-term commitment to the plan and the participation of community members; a description of projects to be undertaken by the community; a description of educational opportunities and future employment needs in the community; and an assessment of the funding required to implement the strategic plan.

Of the funds appropriated, the Secretary of Commerce may award up to \$25 million in grants to assist the community in developing a strategic plan.

The provision authorizes \$150 million in discretionary grants to be awarded by the Secretary of Commerce. An eligible community may apply for a grant from the Secretary to implement a project or program included in the community's strategic plan. Grants may not exceed \$5 million. The Federal share of the grant may not exceed 95 percent of the cost of the project and the community's share is an amount not less than 5 percent. Priority shall be given to grant applications submitted by small and medium-sized communities.

Educational institutions may also apply for Community College and Career Training grants from the Secretary of Labor. Grant proposals must include information regarding (1) the manner in which the grant will be used to develop or improve an education or training program suited to workers eligible for the TAA for Workers program; (2) the extent to which the program will meet the needs of the workers in the community; (3) the extent to which the proposal fits into a community's strategic plan or relates to a Sector Partnership Grant received by the community; and (4) any previous experience of the institution in providing programs to workers eligible for TAA. Educational institutions applying for a grant must also reach out to employers in the community to assess current deficiencies in training and the fu-

ture employment opportunities in the community.

The provision authorizes \$40 million in discretionary grants to be awarded by the Secretary of Labor for the Community College and Career Training Grant program. Priority shall be given to grant applications submitted by eligible institutions that serve communities that the Secretary of Commerce has certified under section 273.

The provision also establishes a Sector Partnership Grant program that allows the Secretary of Labor to award industry or sector partnership grants to facilitate efforts of the partnership to strengthen and revitalize industries. The partnerships shall consist of representatives of an industry sector; local county, or State government; multiple firms in the industry sector; local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832); local labor organizations, including State labor federations and labor-management initiatives, representing workers in the community; and educational institutions.

The provision authorizes \$40 million in discretionary grants to be awarded by the Secretary of Labor for the Sector Partnership Grant program. The Sector Partnership Grants may be used to help the partnerships identify the skill needs of the targeted industry or sector and any gaps in the available supply of skilled workers in the community impacted by trade; develop strategies for filling the gaps; assist firms, especially small- and medium-sized firms, in the targeted industry or sector increase their productivity and the productivity of their workers; and assist such firms to retain incumbent workers.

#### REASONS FOR CHANGE

The TAA for Workers program provides assistance to individual workers who lose their jobs because of trade with foreign countries. The program does not, however, provide broader assistance when the closure or downsizing of a key industry, company, or plant creates severe economic challenges for an entire community impacted by trade. The proponents believe there is a need for additional programs and incentives to assist such communities. Accordingly, the provision creates a TAA for Communities program to provide a coordinated Federal response to eligible communities by identifying Federal, State and local resources and helping such communities to access available Federal assistance.

The provision does not establish precise criteria for determining when a particular community is impacted by trade. In the view of the proponents, this determination is better left to the discretion of the Secretary of Commerce, who can evaluate specific facts in specific cases. As a general matter, the proponents believe the Secretary should review the underlying certification(s) that provide a basis for a community's application and evaluate the potential impact of the job losses (or threat thereof) associated with such certification(s) on the broader community, given the community's overall economic situation. The proponents intend for the Secretary to focus grants on communities facing the most difficult hardships, to the extent practicable.

The proponents believe small- and medium-sized communities, and in particular, those in rural areas where the manufacturing sector has historically been a significant employer, would benefit from the technical assistance and grants available through this program. Such communities have been disproportionately impacted by the adverse effects of trade, where some lumber mills, factories and call centers, for in-

stance, have scaled back operations or closed entirely in response to increased trade and globalization.

The proponents do not intend for the preference for such communities to result in all grants, or the majority of grants, going to such communities to the exclusion of other impacted communities.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act.

*Authorization of Appropriations for Trade Adjustment Assistance for Communities (Section 1772)*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

The provision authorizes \$150,000,000 to the Secretary of Commerce for each of fiscal years 2009 and 2010, and \$37,500,000 for the period beginning October 1, 2010 through December 31, 2010 to carry out the TAA for Communities program.

The provision authorizes \$40,000,000 to the Secretary of Labor for each of fiscal years 2009 and 2010, and \$10,000,000 for the period beginning October 1, 2010 through December 31, 2010 to carry out the Community College and Career Training Grant Program.

The provision authorizes \$40,000,000 to the Secretary of Labor for each of fiscal years 2009 and 2010, and \$10,000,000 for the period beginning October 1, 2010 through December 31, 2010 to carry out the Sector Partnership Grant Program.

#### EFFECTIVE DATE

The provision goes into effect on the date of enactment of this Act.

#### D. PART IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

*Trade Adjustment Assistance for Farmers (Section 1781–1786 (amending sections 291, 292, 293, 296 and 297 of the Trade Act of 1974))*

#### PRESENT LAW

A group of agricultural producers or their representative may file a petition for certification with the Secretary of Agriculture. Upon receipt of the petition, the Secretary shall publish a notice in the Federal Register that the petition has been received and is being investigated. The petitioner, or anyone else with a substantial interest, may request a public hearing concerning the petition.

To be certified to receive TAA benefits under this chapter, the group of producers must show (1) that the national average price of the agricultural commodity in the most recent marketing year is less than 80 percent of the national average price for the commodity for the 5 previous marketing years, and (2) that increased imports of articles like or directly competitive with the commodity contributed importantly to the decline in price.

A group of producers certified under Section 291 has one year to receive TAA benefits, but may apply to be re-certified for a second year of benefits if the group can show a further 20 percent price decline in the national average price of the commodity, and that imports continued to contribute importantly to that decline.

To qualify to receive benefits, individual agricultural producers that are covered by a certified petition must show (1) that the individual producer produced the qualified commodity; and (2) the net income of the producer has decreased. Producers meeting these criteria are eligible to participate in an initial technical assistance course, and to receive cash benefits, not to exceed \$10,000, based on their production and the decline in price for the commodity. Where available,

the producer may also attend more intensive technical assistance.

#### EXPLANATION OF PROVISION

The provision defines an agricultural commodity producer, for the purpose of the TAA for Farmers program, to include fishermen, as well as farmers.

The provision allows a group of producers to petition the Secretary based on a 15 percent decline in price, value of production, quantity of production, or cash receipts for the commodity, rather than a 20 percent decline in price. The provision shortens the look back period from an average of 5 years to an average of the national average price for the previous three year period. Petitioning producers must also show that imports contributed importantly to the decline in price, production, value of production, or cash receipts.

Once the Secretary certifies a group of commodity producers for TAA, individual producers can qualify for benefits if the producer shows (1) that they are producers of the commodity; and (2) that the price received, quantity of production, or value of production for the commodity has decreased.

Producers deemed eligible to receive benefits by the Secretary are eligible to receive initial technical assistance, and may opt to receive intensive technical assistance, which consists of a series of courses designed for producers of the certified commodity. Upon completion of the series of courses, the producer develops an initial business plan which (1) reflects the skills gained by the producer during the courses; and (2) demonstrates how the producer intends to apply these skills to the producer's farming or fishing operation. Upon approval by the Secretary of the business plan described above, the producer is entitled to receive up to \$4,000 to implement the business plan or to assist in the development of a long-term business plan.

Producers who complete an initial business plan may choose to receive assistance to develop a long-term business adjustment plan. The Secretary must review the plan to ensure that it (1) will contribute to the economic adjustment of the producer; (2) considers the interests of the producer's employees, if any; and (3) demonstrates that the producer has sufficient resources to implement the plan. If the Secretary approves the plan, the producer is eligible to receive up to \$8,000 to implement the long-term business plan.

Once a petition is certified for the group of producers, qualifying producers are eligible for benefits for a 36-month period. A producer may not receive more than \$12,000 in any 36-month period to develop and implement business plans under the program.

The provision allows fishermen and aquaculture producers who are otherwise eligible to receive TAA benefits to demonstrate increased imports based on imports of farm-raised or wild-caught fish or seafood, or both.

#### REASONS FOR CHANGE

The proponents believe that the 20 percent price decline currently required for a group of producers to be certified under the TAA for Farmers program is too high, and creates an unnecessary barrier for producers to qualify for TAA benefits. Further, producers and the Department of Agriculture were concerned that the current five-year look back period was too long and burdensome for producers.

Additionally, since net farm income is a function of many factors, it has proven very difficult for producers to show the required decline in net income, even when the price for specific commodities had declined significantly. Several disputes regarding whether producers met the net income test were

taken to the U.S. Court of International Trade, resulting in significant administrative expense for both the producers and the Department of Agriculture.

The proponents believe that demonstrating a decline in the production or price of the commodity facing import competition is a better measure of the impact of trade on the individual producer, rather than net income. The provision would allow farmers to demonstrate that either their production decisions or price received for the qualified commodity were affected.

The proponents also believe that the focus of the TAA for Farmers program should be adjustment assistance, rather than cash benefits. Under the current program, most producers received only initial technical assistance, with little opportunity for additional curricula. The proponents believe that all producers eligible for TAA benefits should receive more thorough technical assistance and the opportunity for individualized business planning, with financial assistance provided to help the producer implement the business plans.

Further, technical assistance should be provided by the Department of Agriculture through the National Institute on Food and Agriculture ("NIFA"), which may choose to make grants to land grant universities and other outside organizations to assist in the development and delivery of technical assistance. NIFA (formerly the Cooperative State Research, Education, and Extension Service) delivers technical assistance under the current Farmers program, and had successfully developed curricula to respond to producers' adjustment needs.

The proponents believe that the current one-year limit to obtain TAA benefits unnecessarily limits producers' ability to access technical assistance, particularly when farmers and fishermen must spend significant portions of each year in the fields or at sea. Extending the eligibility period to 36 months will allow producers to take advantage of all the benefits offered, and will eliminate the need for the current burdensome recertification process.

The proponents believe that fishermen and aquaculture producers who are otherwise eligible for TAA should be able to demonstrate an increase in imports of like or directly competitive products without regard to whether those imported products were wild-caught or farm-raised. Current law allows these producers to apply for benefits based on imports of farm raised fish and seafood only.

The proponents expect that the Department of Agriculture will fully fund and operate the TAA for Farmers and Fishermen program for the full duration of each fiscal year for which it is authorized.

#### EFFECTIVE DATE

The provision goes into effect upon expiration of the 90-day period beginning on the date of enactment of this Act, and applies to petitions filed on or after that date.

Extension of Authorization and Appropriation for Trade Adjustment Assistance for Farmers (Section 1787 (amending Section 298 of the Trade Act of 1974))

#### PRESENT LAW

The authorization and appropriation for the TAA for Farmers program expired on December 31, 2007. The program is currently authorized at \$90 million per year.

#### EXPLANATION OF PROVISION

This provision reauthorizes the program through December 30, 2010, and maintains its funding at \$90 million per year for fiscal years 2009 and 2010. The provision further provides funding on a prorated basis for the period beginning October 1, 2010, and ending December 31, 2010.

#### EFFECTIVE DATE

The provision goes into effect on the date of enactment of this Act.

#### E. PART V—GENERAL PROVISION

*Government Accountability Office Report (Section 1793)*

#### PRESENT LAW

There is no provision in present law.

#### EXPLANATION OF PROVISION

The provision requires the Comptroller General of the United States to prepare and submit a report to the Senate Finance Committee and the House Committee on Ways and Means on the operation and effectiveness of these amendments to chapters 2, 3, 4, and 6 of the Trade Act no later than September 30, 2012.

#### REASONS FOR CHANGE

It is critical that GAO review and evaluate the TAA program to assess the changes made by this legislation to ensure that they have improved the effectiveness, operation, and performance of the program.

#### EFFECTIVE DATE

The provision goes into effect on the date of enactment of this Act.

The PRESIDING OFFICER (Mr. UDALL of New Mexico.)

Mr. BAUCUS. Mr. President, I yield 10 minutes to the distinguished chairman of the Appropriations Committee, Senator INOUE of Hawaii.

Mr. INOUE. Mr. President, I rise to restate my strong support for the American Recovery and Reinvestment Act of 2009. This measure will create more than 3.5 million jobs. It will provide billions of dollars to support our State and local governments. It will prevent tens of thousands of teachers, firemen, policemen, and other providers of essential services from being laid off at the worst possible time. It will provide tax cuts for working families. It will invest in the future of this Nation by rebuilding our roads, our sewers, mass transportation systems, and other essential infrastructure.

We must pass this bill immediately. According to the Labor Department, the United States has lost 3.6 million jobs since the recession began in December of 2007. Roughly half of those losses have occurred in the past 3 months. Our job losses are accelerating, and if the Federal Government does not take bold action immediately, these losses will only continue to worsen.

That is why this measure before us is focused first and foremost on creating jobs. Every job we create by investing in infrastructure, every job we save by providing extra funds to State and local governments, is one more American who will know their Government has done everything it can to help its citizens recover from this terrible economic crisis.

The total appropriations in the amended bill are \$290 billion. Some have suggested that we in the Senate have paid too high a price in our efforts to reach a bipartisan solution. As the chairman of the Appropriations Committee, I am keenly aware of the adjustments that have been made to this legislation in order to secure the 60

votes we need. Nonetheless, I know that \$290 billion is far superior to nothing, which is what we would have if we do not garner 60 votes. This remains a very strong bill that will make a difference in the lives of millions of Americans.

As I stated before, nothing is more important than the more than 3.5 million jobs that will be created or preserved through this measure. Our goal is to find ways to stimulate the private sector through the public sector spending. We have no interest in expanding or growing the Federal bureaucracy. In fact, this bill will create fewer than 5,000 new Federal jobs. That is three-tenths of 1 percent—hardly a vast growth in our Government.

We are focused on jump-starting necessary projects that will get this economy back on track as quickly as possible. In fact, preliminary CBO and Joint Tax scoring shows that for the bill as a whole, including spending and tax cuts, 78 percent of the funds will be spent in fiscal years 2009 and 2010.

Some of the opponents of this measure have complained that it has too much wasteful spending. Helping States deal with long-term investments such as health, education, and science is not wasteful spending. These are programs that will directly touch millions of Americans and will improve the quality of their lives. Let me say again that there are no earmarks in this bill.

As for some of the other charges leveled by opponents of the bill, I can only say that the facts speak for themselves. Despite claims that this recovery package contains \$150 million for honeybee insurance, there is not and there never has been, any language with regard to honeybees contained in this legislation.

There is no funding for prevention of sexually transmitted diseases, nor for smoking cessation programs, nor for remodeling the National Mall. As I have already stated, this bill will create fewer than 5,000 new Federal jobs, which is well short of the 600,000 new Federal jobs that some have suggested and predicted.

The facts speak for themselves. We face a grave economic crisis. We have a nation that stood up 3 months ago and voted for change, not for more of the same policies that got us into the crisis in the first place.

This legislation is not perfect, but it absolutely represents the change that millions of Americans voted for on November 4 last year, and I hope my colleagues will join me in giving our citizens the change they demanded and vote yes on the American Recovery and Reinvestment Act.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time consumed during the quorum calls this morning be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I wish now to talk about a package of amendments that hasn't been added to the legislation but has merit. I want to put my colleagues on notice that I will be asking unanimous consent that this package be added to the legislation.

On a piece of legislation this large, it is difficult to process every amendment that is filed. In fact, over 600 amendments have been filed to this bill. We have processed 30 of these, but that leaves about 500 not yet voted on.

The same was true in the Finance Committee, before we took up the bill and before it came to the floor. In the committee we had over 200 amendments filed and we couldn't vote on every one of those. On a number of them, I asked Senators to withhold from offering them. For some, we were not sure how much they would cost, and for others we needed more time to analyze the proposal because they came to us pretty quickly and we didn't know what it meant. I asked Senators to hold off for a while to figure out what it means, and maybe we can work it out, but it would be best to take it to the floor. Many Senators did that. I pledged to the Senators I would work with them on the floor.

We were able to work out many of the amendments. Senator GRASSLEY and I reached an agreement on a number of tax and health amendments, and they are reflected in an amendment that has been filed. As our staffs looked at these amendments, we worked out an agreement on a lot of these amendments and they are contained in the managers' amendment I am talking about. Some were technical in nature. We have several, for example, health-related provisions that clarify the legislative language to make sure it reflects what the Finance Committee voted to report to the Senate.

Other provisions are modifications of provisions in the underlying bill. For example, one of the provisions makes sure military personnel can receive the Making Work Pay credit even if their spouse is not a U.S. citizen. Another provision expands on a proposal included in the Finance Committee to help companies deleverage and buy back some of their debt.

Other provisions are new, but they are good ideas and simply didn't get a vote. Ms. SNOWE, for example, has proposed reducing the estimated taxes that small businesses have to pay quarterly, since most of them will have fewer or no profits this year. That pro-

vision is also included in the managers' package.

While I believe adding these proposals will improve the bill, it is my understanding there is likely to be an objection to my request. We could not include every amendment in the package. We have done the best we can. I think it would improve upon the bill if this package were adopted.

Mr. President, I ask unanimous consent that I be allowed to call up my amendment No. 572, the so-called managers' amendment; that the amendment be adopted, and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. Mr. President, I must object. Before I do so, I will make this little statement. Obviously, the chairman, in keeping his word to me, has gone on to deliver on that word by working out arrangements on some amendments I wanted. It might look confusing to the public at large as to why on this side we are objecting. As we do things in the Senate on unanimous consent, any one person can object.

We have asked a lot of Members on our side what they thought about this particular UC request because we knew about it ahead of time. On behalf of a number of Members on our side of the aisle, acting for them, I must and do reluctantly object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRASSLEY. Mr. President, if I may have the floor, I wish to make some remarks about the stimulus bill generally and about an upcoming vote we have in the Senate that we call waiving the Budget Act.

Today, the Senate will consider whether we should apply budget discipline to this bill before us. Yesterday, there was a lot of revision, or perhaps editing, of recent budget history, and I come to the floor to speak about it in an intellectually honest way. Even our President alluded to it. I agree with the President that there is a lot of revisionism in the debate. The revisionist history basically boils down to two conclusions:

One, that all of the "good" fiscal history of the 1990s was derived from a partisan tax increase of 1993; and, two, that all of the "bad" fiscal history of this decade we are in now is attributable to the bipartisan tax relief plans of 2001 and 2003, and maybe some lesser tax bills.

Not surprisingly, nearly all of the revisionists who spoke generally oppose tax relief, and somehow always seem to support tax increases. The same crew generally supports spending increases and, not oddly, opposes spending cuts.

In the debate so far on this bill, called the stimulus package, many on this side have pointed out some key undeniable facts. The bill before us, with interest included, increases the deficit by over \$1 trillion. The bill before us is a heavy stew of spending increases and refundable tax credits, seasoned with small pieces of tax relief.



The bill before us has new temporary spending that, if made permanent, will burden future budget deficits by over \$1 trillion.

That antirecessionary spending, together with lower tax receipts, plus the TARP activities, has set a fiscal table of a deficit of \$1.2 trillion. That is the highest deficit, as a percentage of the economy, in post-World War II history.

It is not a pretty fiscal picture, and it is going to get a lot uglier as a result of this bill. So for the folks who see this bill as an opportunity to recover America, with Government taking a larger share of the economy over the long term, I say congratulations. That is where the revisionist history comes from. It is a strategy to divert, through a twisted blame game, from the facts before us.

How is history revisionist? I want to take each conclusion, one by one.

The first conclusion is that all of the good fiscal history was derived from that 1993 tax increase. To knock down this canard, all you have to do is look at this chart I put up.

This chart was not produced by a bunch of Republicans. This chart was produced by the Clinton administration. We can see down in the right corner, the "Office of Management and Budget."

The much ballyhooed 1993 partisan tax increase accounts for 13 percent of deficit reduction in the 1990s. We can see in green the 1993 tax increase that has been ballyhooed about the floor of this body several times did not have as much to do with deficit reduction as we are led to believe.

What is more, fiscal revisionist historians in this body tend to forget who the players were. They are correct that there was a Democratic President in the White House, but they conveniently forget that Republicans controlled the Congress for the period where the deficit came down and actually turned into a surplus. They tend to forget that they fought the principle of a balanced budget that was the centerpiece of my party's fiscal policy.

Remember the Government shutdown of 1995? I want the people on the other side of the aisle to remember that, remember what it was all about. It was about a plan to balance the budget. Republicans paid a political price for forcing the issue. But in 1997, President Clinton agreed.

Recall as well all through the 1990s what the yearend battles were about. On one side, congressional Democrats and the Clinton administration pushed for more spending. On the other side, congressional Republicans were pushing for tax relief. In the end, both sides compromised. That is what our Government and Constitution forces, and a lot of that is done because in the Senate we have rules that do not allow one party to push something through.

That is the real fiscal history of the 1990s.

Now let's turn to the other conclusion of the revisionist fiscal historians.

That conclusion is that in this decade, since the year 2000, all fiscal problems are attributable to the widespread tax relief enacted in 2001, 2003, 2004, and 2006.

In 2001, President Bush came into office. Just last night, we heard on television about all of the problems today are the result of the last 8 years. Let's take a look at that.

President Bush inherited an economy that was careening downhill. Investments started to go flat in 2000. Do you know NASDAQ lost 50 percent of its value in the year 2000, not in the year 2001 and beyond? Then came the economic shocks of the 9/11 terrorist attacks. I might add, we had 40 or more months of downturn in the manufacturing index that started in February 2000, also before President Bush became President. And then we add in the corporate scandals to that economic environment. We had the 9/11 terrorist attacks.

It is true, as the fiscal year 2001 came to a close, the projected surplus turned into a deficit. I have a chart that shows the start of this decade's fiscal history right here. As we can see, in just the right time, the 2001 tax relief plan started to kick in. The deficit grew smaller. This pattern continued through 2007.

I have another chart that compares the tax receipts for the 4 years after the much ballyhooed 1993 tax increase and the 4-year period after the 2003 tax cuts. If we go to the tax increase, the blue line, we can see there was some uptick, but it stayed flat. Look at tax relief coming, the red line, what that has done for income into the Federal Treasury.

On a year-after-year basis, this chart compares the change in revenues as a percentage of GDP. In 1993, the Clinton tax increase brought in more revenue as compared to the 2003 tax cut. But that trend reversed as both policies moved along. We can see how the extra revenue went up over time relative to the flat line of the 1993 tax increase.

So let's get the fiscal history right. The progrowth tax-and-trade policies of the 1990s, along with a peace dividend, had a lot more to do with the deficit reduction in the 1990s than the 1993 tax increase did. In this decade, deficits went down after tax relief plans were put into full effect.

That is the past. We need to make sure we understand it. But what is most important is the future. All I can say is that my President, President Obama, talked about the future all during the campaign. Why Members of his party have been talking about the last 8 years and not about the future, I don't know. We need to talk about the future. People in our States send us here to deal with the future. They do not send us here to flog one another like partisan cartoon cutout characters and to do it over past policy. They do not send us here to endlessly point fingers of blame around.

Now let's focus on the fiscal consequences of the bill in front of us.

That is what the vote in less than an hour is all about.

President Obama rightly focused us on the future with his eloquence during that campaign, as I have already referred to. But I would like to be more specific and paraphrase a quote from the President's nomination acceptance speech: We need a President who can face the threats of the future, not grasping at the ideas of the past.

My President was right. We need a President—and I would like to add Congressmen and Senators—who spends all the time facing the threats of the future. This bill, as currently written, poses considerable threats to our fiscal future. Senator McCAIN's spending trigger amendment showed us the way. We can rewrite this bill to retain its stimulative effect but turn off the spending when the recovery occurs.

Grasping at ideas of the past or playing the partisan blame game will not deal with the threats to our fiscal future. With a vote to sustain the budget point of order against this bill, I say to my fellow Senators, we can start to deal with threats to the fiscal future in the way Senator McCAIN would or the way other people might bring good ideas forth.

According to the Senate Finance Republican tax staff analysis of the Joint Committee on Taxation's revenue estimate of the Nelson-Collins substitute amendment, less than \$6 billion is provided in that amendment in tax relief for small businesses. Let me be clear, small business tax relief makes up less than 1 percent of the bill. I think that is truly outrageous. Small businesses create approximately three-fourths of the new jobs in our economy. So if this bill is all about jobs, certainly more tax relief would have been provided to small businesses because they are the job-creating engines of our economy.

Less than 1 percent of the bill going to small business tax relief is a puny amount. For example, according to Senator NELSON's Web site summary of this bill, here are just some of the provisions that the Senate Democratic leadership has spent more money on than small business tax relief.

The Senate Democratic leadership is putting your money where their mouth isn't and saying that these items are a higher priority to them than small business tax relief is. Some of these items are: \$7 billion for Federal buildings fund, \$6.4 billion for State and Tribal assistance EPA grants, and \$13.9 billion for Pell grants. While some of the provisions in the bill are worthy of being done in regular order, certainly none should get higher funding than small business tax relief because this is supposedly a stimulus bill that is about creating jobs.

Mr. President, in remarks a few minutes ago, the senior Senator from New York referred to my amendment on the current year's alternative minimum tax, AMT, hold-harmless or patch. He was correct that I pushed for the patch very early in the stimulus discussions.

I mentioned it at before and after our bipartisan Finance Committee Members' meeting. I filed it at the Finance Committee markup. To be fair, so did Senator MENENDEZ. The committee adopted the AMT patch amendment.

If I heard the Senator from New York correctly, he agreed with me on the merits of adding the AMT patch. His point seemed to be to say I, and others who oppose the bill in its present form, we are taking an inconsistent bill.

Let me repeat what we, on this side, have been saying about the need for this bill. We agree there needs to be a stimulus. But we need to do it right. Including the AMT patch improves what is an otherwise poorly designed bill.

The patch does not remedy the out-year spending problem. It does not eliminate the rest of new broad entitlement spending.

I am hopeful that, in conference, the senior Senator from New York, and other members of the Democratic leadership, will fight for the Senate position on the AMT patch. There are 124,000 Iowa families who could face an average tax increase of \$2,300 per family if the AMT patch is not enacted. I am looking out for them. I hope the Democratic leadership is looking out for them too.

I urge my colleagues to vote for budget discipline, sustaining the point of order.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. RISCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RISCH. Mr. President and fellow Senators, I came today to make a few remarks regarding the vote we are about to have, in about half an hour, on the so-called "stimulus" package. I think everyone who is a Member of this body agrees with the magnitude of the problem. I have heard my colleagues on the other side and my colleagues on this side speak with great clarity and sometimes with great passion about the problem. Clearly, the American economy is in dire straits. Everyone agrees with that. The amount of passion that one speaks with neither raises nor lowers that level.

I heard the President of the United States last night say there were some people who thought there should be no action taken by our Federal Government. I am not aware of those people. I am sure there are some around, but I think most people agree the main responsibility of the Government of the United States is to protect its people, but closely behind that is to regulate monetary policy and economic policy. Nations have been doing both of those things for many years. My problem with the discussion we have had over

recent weeks has been with the focus of the solution, and I believe the focus is misfocused.

The President agrees, we agree, and most economists agree that economic recovery will require a three-path solution. The first is attention to the banking sector, and that comprises two different parts. No. 1 is continued viability of our bank system; and No. 2, and most importantly, reestablishing credit flow, which is badly impaired at this time.

The second path is the housing sector. Most economists agree it was the housing sector that led us into this difficulty and it is going to be the housing sector that leads us out or, if it does not lead us out, at least it has to recover before we will see any decent movement in the economy.

And third is the Government expenditure item. That particular item has received all the ink, all the publicity, and all the discussion in recent weeks. The focus should not be on Government spending. The focus of the solution should be on credit flow and on the housing market, and it is not. To that, I object.

When the President very kindly came to the Republican conference, we had a spirited discussion on these matters. I was delighted to see that he agreed it was going to take a three-path solution to get us out of this. I was disappointed that his enthusiasm continued to be for the spending side, which of course is a very easy thing to do and something which this town is particularly adept at. Again, my problem is the focus. Spending by the Government is not going to resolve this problem.

This proposal has some job creation—that is the so-called "stimulus" package—and for that I am grateful. The best example of that is roads and bridges. However, if you take a percentage of the amount of money we are talking about, that is only about 3 percent of the bill. There are lots of parts of this bill that do not do anything to stimulate the economy, and I am not going to spend time on that this morning, because they have been well publicized, and I have no doubt will be publicized more in the future.

The other difficulty with the bill, if you take the number of jobs the President is attempting to create or to protect, the cost is in the hundreds of thousands of dollars per job. That, as much as anything, shows how difficult it is for the Government to get us out of this by spending. It is a futile effort. We have between 7 and 8 percent unemployment in this country, which means over 92 percent of Americans are employed. What happens if unemployment continues to accelerate? The Federal Government cannot borrow or print enough money to salvage all those jobs at the cost of several hundred thousand dollars per job. The Federal Government simply can't do it.

Now, there is an entity that can do it. There is an entity that can create enough jobs and protect enough jobs.

That entity is called the free market system. It is entrepreneurs, it is risk takers, it is capitalists. Those people and those entities created these jobs to begin with. They can do it again. That entity, the free market system, has created the most successful culture in the history of the world. For the free market system to operate, there must be free-flowing credit, and of course that does depend upon Government policy. That is why I come down on the side of needing to focus more on that particular aspect of this problem.

I listened to the President last night, and he talked about the \$800 billion number. He said he did not reach up in the air and pull that number out of the air. I wish I knew where that number came from. I have yet to see the formula that was devised, either by the President or, more likely, his advisers who came up with this \$800 billion figure. Indeed, that formula has a lot of value. If that formula could be put on paper, every economy in the world, every country in the world, would be very interested in that valuable commodity. Because if indeed you can simply take that formula and come up with a number and then borrow enough money and spend that money to get the economy moving again, this is very simple.

Here is the problem with all of this. That \$800 billion number, or whatever number it turns out to be—and of course when you add interest in, it will be well over a trillion dollars, or somewhere in the neighborhood of \$1.2 trillion—that money has got to come from somewhere. It is not free money. The way America is going to get that money is it is going to go out and borrow it. We all know what happens when America goes out and borrows money. Who provides us with that money? The major contributor of purchasing our debt is the Chinese Government and the Chinese people. There is no plan for repayment of that debt. What business in America, what entity in America would think of borrowing any amount, let alone an amount this size, without a clear and cogent plan for repaying that money?

Keynesian economics teaches us we can spend our way out of a problem. Keynesian economics has been proven over and over again to be a great theory, a wonderful theory, a source of hope, but it has been a total failure. It didn't work for the Japanese in the 1990s, it didn't work for this country back in the Great Depression, and it didn't even work last year, when everyone was given \$600. It didn't even put a blip on the screen in trying to get us back to prosperity. Keynesian economics—government spending—to get us back on track, has never worked before and it will not work again. If it does work, it will be the first time in history, and it will defy uniform history that has shown us in the past that it won't work.

I hope when we go home during the recess time that this economy is moving in a different direction. I truly

hope that is the case. And I hope we can be arguing on this floor whether it was this enormous spending package that did it or whether it was the vagaries of an undulating world economy, or whether it was economic policy dealing with the banking sector and the housing sector that turned it around.

I am encouraged by the fact the President has committed that he will turn his attention to the other two paths in this three-path system, the banking sector and the housing sector, after this package is passed.

The title of this bill, the "economic stimulus" bill, is truly a giant fraud on the American people. It is not a stimulus package. It is a giant spending package. Admittedly, there are parts of it that one could argue are stimulus, but it is so de minimis that one cannot call this an economic stimulus package.

Like everyone on this floor, I am concerned about the future of our children and our grandchildren. Borrowing \$800 billion-plus, mostly from the Chinese Government and the Chinese people, and indenturing our children, our grandchildren, and our great-grandchildren to work to repay the Chinese Government and the Chinese people so we can spend that money today I believe is fundamentally wrong. I don't believe we should indenture future generations of Americans, and for that reason this Senator will be casting his vote "no" on behalf of the people of the great State of Idaho.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, we had an opportunity to hear the initial or, as we call it, the maiden speech of the new Senator from Idaho, and I wanted to be on the floor to listen to his words. This is a great opportunity to welcome him to the Senate and to encourage all our colleagues to read what he had to say about this massive spending bill we have before us.

I think his views were right on target, and I congratulate him on his first speech.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I also congratulate the Senator from Idaho, my neighbor. It is a wonderful opportunity to hear the Senator from Idaho give his first speech, and it is also great that he is, as I say, my neighbor. I deeply appreciate the shared values we have in our part of the country. I might say to my good friend that although I don't agree with the conclusions he has reached, there will be many opportunities for us to work together on issues that affect our part of the country.

I might also say that—and I think all economists agree with this point—every dollar spent is stimulative—every dollar. Every single dollar in this bill is stimulative—every dollar. All economists would say that—all economists.

Now, it is true that some dollars are more stimulative than other dollars. Basically, economists say that dollars spent on roads and bridges and infrastructure and so forth are more stimulative than dollars spent on tax reductions. They all agree on that. In fact, the Joint Committee on Taxation and the CBO sent a letter recently—actually, the Congressional Budget Office, the CBO, sent a letter to this Senate recently—making that very point, and they categorized how stimulative each dollar spent is. The more it is taxes, the less stimulative it is. But it does stimulate the economy, no doubt about it. The more it is not taxes, the more it is bridges and roads and infrastructure, the more it stimulates the economy. There is no doubt about that. And then there is a middle category, which focuses on unemployment benefits, Medicaid, and food stamps. That is very stimulative, because those are the lower income people who spend the money. To say the dollars in this bill are not stimulative is flatly not true. Every dollar spent is stimulative.

Second, analysis of CBO and Joint Tax, the Congressional Budget Office, and the Joint Committee on Taxation, shows that 99 percent of all the dollars in the Finance Committee bill are spent in the first 2 years. There is nothing permanent about this. I have heard Senators on the other side say this is permanent. It is not permanent; 79 percent of all the dollars in this bill, according to the CBO and Joint Committee on Tax, are spent in the first 2 years—about four-fifths, 80 percent, in the first 2 years. That is not permanent; that is spent in the first 2 years.

No. 1, every dollar spent is stimulative. Some is more stimulative—roads and bridges more than taxes. No. 2, this is temporary; 79 percent of the whole bill is spent in the first 2 years. No. 3, again, this is not permanent, but it is all going to be spent, four-fifths, 80 percent in the first 2 years.

I am a little surprised Senators say we should not spend money here. That is exactly what the Government did back in the 1930s. That is the Hoover approach. Don't spend money, don't borrow money because that is going to add to the deficit, add to the debt. That was what was said back then and look what happened. Every economist says that was a mistake, the Government should have gotten involved, we should have done something, we should have spent the money. And that is what we are doing.

Also, what is the alternative to not spending. What is the alternative to not passing this bill? The alternative is conditions are much worse. This bill is going to create or save 3.4 million jobs. No bill, 3 to 4 million jobs, more jobs lost than currently. This is a no-brainer.

Some Senators try to get us sidetracked. Lawyers call it red herrings, one theory or another, which is not the heart of the problem. The heart of the problem is people are losing jobs by

massive numbers. We have to do something, we have to do something big. I, frankly, think in this Congress not much of anything happens most of the time unless one of two conditions occurs. One is a crisis. Then Congress acts and does something—Pearl Harbor, Sputnik, Depression. Another is if there is extraordinary political leadership.

I say we certainly have a crisis, and we certainly have an extraordinary President. Combined—the President wants this, this is a crisis we have to deal with—let's stand and do what the American people want us to do and not haggle, not bicker, not get partisan. This is pretty simple stuff. It is a big problem and requires a big solution. This solution is a good solution. I strongly urge my colleagues to support it because it is the right thing to do.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I think the Congressional Budget Office, our top adviser, advises us there will be some stimulus in the next 2 to 3 years. But over a 10-year period, our own budget office says the crowding out of private people being able to borrow money because the Government has already borrowed it, and the substantial interest payment on the economy as a result of taking out this debt, will result in a net negative growth in GDP over 10 years. We are talking about a short-term gain for a long-term negative and certainly in the next 10 years the stimulus is long since gone then, and we will have that debt burden every year thereafter because there is no plan to pay it back.

Mr. Gary Becker, Nobel Prize winner in economics, the University of Chicago, in the Wall Street Journal today raised this question:

How much will the stimulus package moving in the Congress really stimulate the economy?

That is what he asked. The evaluations to date have been incomplete. This is what he says his conclusion is:

So our conclusion is that the net stimulus to the short-term GDP will not be zero—

Certainly \$800-plus billion cannot be zero. He goes on to say—

and will be positive, but the stimulus is likely to be modest in magnitude. Some economists have assumed that every \$1 billion spent by the government through the stimulus package would raise short-term GDP by \$1.5 billion. Or, in economics jargon, that the multiplier is 1.5.

That seems too optimistic, given the nature of the spending programs being proposed. We believe a multiplier well below one seems much more likely.

He goes on to make some other points and raise questions about the nature of this package.

We have a budget process in this Congress. In the Senate, and the Budget Committee of which I am a Member—meeting right now, I just left the committee—we set a spending limit for America each year. That limit is supposed to be complied with unless we declare an emergency. When we declare

an emergency, then we can spend over the budget. I wish to say, first, we are getting in too much of a habit of declaring emergencies, tacking all kinds of spending programs onto those emergency programs and, as a result, we are collapsing the power and effectiveness of the budget process.

For example, we had over \$100 billion on Katrina. A lot of that was needed, but all kinds of things not related to Katrina were added because if you add it onto an emergency spending bill you don't have to account for it. It does not have to compete with any other national spending priority. Otherwise, you have to go in through your committees and argue that this spending is justified.

I think when you look at other things such as the TARP spending last fall, \$700 billion we authorized, and then authorized the second half of it earlier this year, that was outside the budget process. We are going to see that this stimulus, every penny of it, is on top of the largest debt we have ever had in America. The Congressional Budget Office scores the debt this year to be \$1.2 trillion, without the stimulus. Last year, at \$455 billion, we hit the highest deficit in the history of the country. So this is more than twice that added to it.

Then we are going to have another financial Wall Street bailout package presumably presented to us soon. It will also be spending outside the budget.

I wish to repeat: Every penny of the \$1.2 trillion of the stimulus package will add to the U.S. Government debt. The debt burden is so high that CBO projects the gross domestic product 10 years from now will be even lower as a result of the passage of this legislation than if we did not pass it, over a 10-year period.

I do not believe we can continue to spend such large sums of money without knowing that the money is well spent, without having the kind of oversight and hearings we need. We are rushing programs through in great numbers. Senator CONRAD, the chairman of the Budget Committee, our Democratic colleague, estimates there is \$125 billion in what he calls bow wave money that will increase the spending permanently out of this bill; at least 125. Another one of our Senators says it will be \$300 billion that will be continued and not be temporary. So there are seven budget points of order that will lie against this legislation. I expect to offer that.

It would mean we would have to vote 60 votes and those 60 votes would say we understand it violates the budget, but we want to spend it anyway. That is what the effort will be about.

Let me briefly point out the significance of the legislation. Everybody wants to do something. I understand that. We need to do some things. But we have to ask ourselves responsibly what has happened.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SESSIONS. I thank the Chair and I yield the floor.

Mr. REID. Mr. President, the distinguished Senator from Montana has 1 minute?

The PRESIDING OFFICER. The Senator is correct. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, since this recession began, 3.6 million mothers, fathers, sisters and brothers, wives and husbands have lost their jobs. On the Senate floor today, we have the power to keep 3 to 4 million more Americans from losing their jobs. We have crafted this bill to accomplish this end. Ninety-nine percent of the Finance Committee's legislation will take effect in the first 2 years and 79 percent of the total bill's fiscal effects will take place in the first 2 years.

The question is merely whether we will act. Our duty is clear. Let us reject half measures. Let us reject delay. Let us not be found on the wrong side of history. Let us rise to the economic challenge of our generation. Let us preserve millions of American jobs and let us pass this bill today.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, in 1844, a man came to Washington recognizing the country had been in a deep recession in 1837 and it spilled over a number of years. He came to Washington with an idea. He came to Congress with an idea. What he wanted to do was build some power poles, put some wire on them, and he said if he did that, this infrastructure—and he had money to do it—would revolutionize communications in America.

This man, Samuel Morse, convinced Congress to do that. They appropriated \$40,000. In that day that was a huge amount of money. The Federal Government appropriated that money and a telegraph line was built between Washington, DC, and Baltimore, MD. The rest is history. It changed America. It changed the world. The first telegraph line revolutionized communications. It was so significant.

Some opposed funding for the new invention that Morse was talking about, but once the wires connecting the two cities were laid, our country's communication structure, as I mentioned, was changed forever. What started as a government investment became a major private sector enterprise, creating thousands of jobs and new opportunities to connect people and ideas. If that sounds familiar, it is exactly what created one of the greatest economic opportunities of our lifetime—not only of our lifetime but ever—the Internet.

Throughout our history the Federal Government has catalyzed good ideas, invested in the ingenuity and entrepreneurship of the American people, and let the private sector flourish—Samuel Morse, the Internet. Faced with an economic crisis today, we have an opportunity to make similar investments that will help our country prosper in the years to come.

Last night, President Obama brought his case of economic recovery directly to the American people. He clearly explained that no new President relishes the thought of starting an administration with a major investment of public funds to clean up the economic mess left by the previous administration. But he had no choice, as he explained so well in Elkhart, IN, yesterday and last night to the American people.

Not one Member of Congress or one single American family relishes the difficult choices left for us to make. But with a growing likelihood that this crisis will grow into what the President has termed a "possible catastrophe," the worst decision would be indecision.

The President, as I mentioned, spoke in the city of Elkhart, IN, a place where unemployment has risen in a short period of time from 4 percent to over 15 percent. But some say the unemployment in Elkhart is truly over 20 percent.

In Nevada the latest figures have surpassed 9 percent unemployment, with no sign of retreat in sight. The people of Elkhart understand our economy will not turn around overnight. Reno and Carson City and Las Vegas have patience for the tough choices in the hard days to come. The American people understand that. But the American people have no patience for a Congress that points fingers, drags its feet or fails to act.

It is not common—in fact, try to think of the last time the National Association of Manufacturers—NAM, the United States Chamber of Commerce, and the AFL-CIO joined in support of legislation, any legislation. But they have in this legislation before us. Each of these organizations understands how important it is for us to pass this bill and to get it to the President's desk.

Yesterday, the Senate took a major step toward doing so by voting 61 to 36 to lift a filibuster and move forward to a vote. Now we move to final passage of President Obama's economic recovery plan, but our work doesn't end there. We must move swiftly with our colleagues in the House to complete work on the legislation and send it to the President's desk as soon as possible. The time for debate on this legislation was productive but it is over.

With common sense as our compass, we must now answer the urgent call of the American people for action.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I believe we need to exceed the budget and to expend targeted, temporary money that can improve the economy and will make some positive steps. Gary Becker, a Nobel Prize winner, today said he does not believe this is an effective way to do so. Others have said the same. I believe greater jobs can be created at substantially less funding.

I make a point of order that the pending amendment offered by the Senators from Nebraska and Maine,

Mr. NELSON and Ms. COLLINS, would increase the on-budget deficit for the sum of the years 2009 through 2013 and the sum of the years 2009 through 2018. Therefore, I raise a point of order against the amendment pursuant to section 201(a) of S. Con. Res. 21, the concurrent resolution on the budget for fiscal year 2008.

Mr. REID. Mr. President, it is my understanding the order before the Senate takes into consideration the move to waive that; is that true?

The PRESIDING OFFICER. If the Senator from Nevada will suspend briefly, under the previous order, the motion to waive is considered made.

Mr. REID. So the only thing left is the yeas and nays; is that correct?

The PRESIDING OFFICER. The Senator from Nevada is correct.

Is there a sufficient second?

It appears there is.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. KYL. The following Senator is necessarily absent: the Senator from New Hampshire (Mr. GREGG).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 61, nays 37, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—61

Akaka	Gillibrand	Nelson (FL)
Baucus	Hagan	Nelson (NE)
Bayh	Harkin	Pryor
Begich	Inouye	Reed
Bennet	Johnson	Reid
Bingaman	Kaufman	Rockefeller
Boxer	Kennedy	Sanders
Brown	Kerry	Schumer
Burris	Klobuchar	Shaheen
Byrd	Kohl	Snowe
Cantwell	Landrieu	Specter
Cardin	Lautenberg	Stabenow
Carper	Leahy	Tester
Casey	Levin	Udall (CO)
Collins	Lieberman	Udall (NM)
Conrad	Lincoln	Warner
Dodd	McCaskill	Webb
Dorgan	Menendez	Whitehouse
Durbin	Merkley	Wyden
Feingold	Mikulski	
Feinstein	Murray	

NAYS—37

Alexander	DeMint	McCain
Barrasso	Ensign	McConnell
Bennett	Enzi	Murkowski
Bond	Graham	Risch
Brownback	Grassley	Roberts
Bunning	Hatch	Sessions
Burr	Hutchison	Shelby
Chambliss	Inhofe	Thune
Coburn	Isakson	Vitter
Cochran	Johanns	Voinovich
Corker	Kyl	Wicker
Cornyn	Lugar	
Crapo	Martinez	

NOT VOTING—1

Gregg

The PRESIDING OFFICER. On this vote, the yeas are 61, the nays are 37. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. DURBIN. Mr. President, I move to reconsider the vote.

Mr. CARDIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, amendment No. 570, offered by the Senator from Maine, Ms. COLLINS, and the Senator from Nebraska, Mr. NELSON, is agreed to, and the motion to reconsider is considered made and laid upon the table.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. BUNNING. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. KYL. The following Senator is necessarily absent: the Senator from New Hampshire (Mr. GREGG).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—61

Akaka	Gillibrand	Nelson (FL)
Baucus	Hagan	Nelson (NE)
Bayh	Harkin	Pryor
Begich	Inouye	Reed
Bennet	Johnson	Reid
Bingaman	Kaufman	Rockefeller
Boxer	Kennedy	Sanders
Brown	Kerry	Schumer
Burris	Klobuchar	Shaheen
Byrd	Kohl	Snowe
Cantwell	Landrieu	Specter
Cardin	Lautenberg	Stabenow
Carper	Leahy	Tester
Casey	Levin	Udall (CO)
Collins	Lieberman	Udall (NM)
Conrad	Lincoln	Warner
Dodd	McCaskill	Webb
Dorgan	Menendez	Whitehouse
Durbin	Merkley	Wyden
Feingold	Mikulski	
Feinstein	Murray	

NAYS—37

Alexander	DeMint	McCain
Barrasso	Ensign	McConnell
Bennett	Enzi	Murkowski
Bond	Graham	Risch
Brownback	Grassley	Roberts
Bunning	Hatch	Sessions
Burr	Hutchison	Shelby
Chambliss	Inhofe	Thune
Coburn	Isakson	Vitter
Cochran	Johanns	Voinovich
Corker	Kyl	Wicker
Cornyn	Lugar	
Crapo	Martinez	

NOT VOTING—1

Gregg

The bill (H.R. 1), as amended, was passed.

Mr. DURBIN. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment and requests a conference with the House on the disagreeing votes of the two Houses.

The Acting President pro tempore appointed Mr. INOUE, Mr. BAUCUS, Mr. REID of Nevada, Mr. COCHRAN, and Mr. GRASSLEY conferees on the part of the Senate.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m. today.

Thereupon, at 12:44 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BURRIS).

The PRESIDING OFFICER. The majority leader is recognized.

MORNING BUSINESS

Mr. REID. Mr. President, there will be no more rollcall votes today.

I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. REID. Mr. President, further, we have the Lynn nomination, which has been talked about for several weeks now. We are going to try to work out an arrangement with the Republicans to do the debate tomorrow and have a vote on Mr. Lynn tomorrow.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

STIMULUS PACKAGE

Mr. KYL. Mr. President, I want to speak for a moment about our hope that in the so-called stimulus package that will be the subject of a conference committee between the Members of the Senate and the House of Representatives, significant changes can be made, changes that will permit more people to support this package than only those who have supported it in the past.

I want to begin by identifying the two key areas that most Republicans have concerns with in this package and begin by noting that it is not a choice between doing nothing on the one hand and doing only this bill on the other hand. I think it has been presented by some as a false choice.

The President, for example, last night said: Now, there are those who would do nothing about this crisis. I don't know of anybody who wants to do